



PECCA

GROUP BERHAD



PECCA GROUP BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MARCH 2024

	Notes	Individual Quarter			Cumulative Quarter		
		Current Year Quarter 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 RM'000	Variance %	Current Year- To-Date 31.03.2024 RM'000	Preceding Year-To-Date 31.03.2023 RM'000	Variance %
Revenue	A9	59,525	58,583	2%	188,329	166,929	13%
Cost of sales		(34,464)	(41,238)	(16%)	(115,748)	(118,156)	(2%)
Gross profit		25,061	17,345	44%	72,581	48,773	49%
Other Income		203	255	(20%)	776	751	3%
Selling and distribution expenses		(1,514)	(1,571)	(4%)	(5,321)	(4,794)	11%
Administrative expenses		(6,433)	(5,254)	22%	(17,316)	(12,580)	38%
Operating Profit		17,317	10,775	61%	50,720	32,150	58%
Finance income		1,101	524	110%	2,922	1,511	93%
Finance costs		(81)	(88)	(8%)	(260)	(244)	7%
Share of result of joint venture		-	5	(100%)	-	9	(100%)
Profit before tax	B5	18,337	11,216	63%	53,382	33,426	60%
Income tax expense	B6	(4,303)	(2,654)	62%	(12,914)	(8,103)	59%
Profit for the period		14,034	8,562	64%	40,468	25,323	60%
Other comprehensive income, net of tax							
Actuarial loss on employment benefit		(2)	-	100%	(5)	-	100%
Foreign currency translation differences on foreign operations		6	(1)	-700%	(107)	(8)	1238%
Total comprehensive income for the financial period		14,038	8,561	64%	40,356	25,315	59%
Profit attributable to:							
Owners of the company		14,050	8,562	64%	40,443	25,320	60%
Non-controlling interests		(16)	-	100%	25	3	733%
Profit for the period		14,034	8,562	64%	40,468	25,323	60%
Total comprehensive income for the financial period							
Owners of the Company		14,051	8,561	64%	40,353	25,316	59%
Non-controlling interests		(13)	-	100%	3	(1)	100%
Total comprehensive income for the financial period		14,038	8,561	64%	40,356	25,315	59%
Earnings per share attributable to Owners of the Company (sen) ⁽²⁾							
- Basic	B12	1.87	1.14	64%	5.38	3.37	60%
- Diluted		1.87	1.14	64%	5.38	3.37	60%

Notes:

- (1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the explanatory notes attached to this report.
- (2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 MARCH 2024**

	Unaudited 31.03.2024 RM'000	Audited 30.06.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,848	42,784
Right-of-use assets	23,826	24,469
Goodwill	140	140
Deferred tax assets	9	-
Other investments	418	419
	<u>65,241</u>	<u>67,812</u>
Current Assets		
Inventories	23,913	28,445
Trade and other receivables	44,184	54,856
Contract assets	39	130
Prepayments	1,835	1,526
Current tax assets	536	35
Cash and bank balances	141,308	111,232
	<u>211,815</u>	<u>196,224</u>
Total assets	<u>277,056</u>	<u>264,036</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Reserves	94,906	77,108
	<u>230,608</u>	<u>212,810</u>
Non-controlling interest	413	410
Equity attributable to owners of the Company	<u>231,021</u>	<u>213,220</u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	5,960	6,632
Employee benefits	40	30
Borrowings	4,568	5,040
Lease liabilities	297	478
	<u>10,865</u>	<u>12,180</u>
Current Liabilities		
Trade and other payables	19,163	19,819
Dividend payable	-	5,112
Contract liabilities	1,905	-
Borrowings	3,130	6,830
Lease liabilities	1,036	534
Current tax liabilities	9,936	6,341
	<u>35,170</u>	<u>38,636</u>
Total liabilities	<u>46,035</u>	<u>50,816</u>
Total equity and liabilities	<u>277,056</u>	<u>264,036</u>
Net assets per share attributable to owners of the parents (sen) ⁽²⁾		
	<u>30.67</u>	<u>28.31</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 2023 and the explanatory notes attached to this report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 31 March 2024 of 751,783,132 (30 June 2023: 751,783,132).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2024

	← Attributable to owners of the Company →							Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →				Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000			
At 01.07.2023	135,702	(60)	(60,822)	100	18,965	(2)	118,927	212,810	410	213,220
Profit after taxation for the financial period	-	-	-	-	-	-	40,443	40,443	25	40,468
Other comprehensive income for the financial period:										
- Actuarial loss on employment benefit	-	-	-	-	-	(5)	-	(5)	(1)	(6)
- Foreign currency translation differences on foreign operations	-	-	-	(86)	-	-	-	(86)	(21)	(107)
Transactions with owners										
- Dividend distributions to owners of the Company	-	-	-	-	-	-	(22,554)	(22,554)	-	(22,554)
At 31.03.2024	<u>135,702</u>	<u>(60)</u>	<u>(60,822)</u>	<u>14</u>	<u>18,965</u>	<u>(7)</u>	<u>136,816</u>	<u>230,608</u>	<u>413</u>	<u>231,021</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 2023 and the explanatory notes attached to this report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 MARCH 2024

	9 months ended 31 March	
	2024	2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	53,382	33,426
Adjustments for:		
Depreciation of property, plant and equipment	3,498	3,214
Depreciation of right-of-use assets	607	407
Amortisation of intangible assets	1	-
Plant and equipment written off	18	122
Gain on disposal of plant and equipment	(125)	(20)
Reversal of impairment loss on trade receivables	-	58
Impairment loss on plant and machineries	1,000	-
Inventories written down	1,000	-
Share of result of joint venture	-	(9)
Unrealised loss/(gain) on foreign exchange	65	(193)
Finance costs	260	244
Finance income	(2,922)	(1,511)
Operating profit before changes in working capital	56,784	35,738
Changes in working capital:		
Inventories	3,511	2,226
Trade and other receivables	10,833	(18,201)
Prepayments	(436)	1,283
Trade and other payables	1,230	893
Contract liability	87	-
Post-employment benefit	5	-
Cash generated from operations	72,014	21,939
Income tax paid	(10,218)	(3,101)
Interest paid	(260)	(244)
Net cash from operating activities	61,536	18,594
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,359)	(2,964)
Advances to a related company	-	-
Proceeds from disposal of plant and equipment	236	337
Interest received	2,922	1,511
Net cash from/(for) investing activities	799	(1,116)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(307)	(241)
Dividends paid	(27,666)	(15,637)
Net proceeds from borrowings	(4,172)	124
Net cash for financing activities	(32,145)	(15,754)
Net increase in cash and cash equivalents	30,190	1,724
Effect of exchange rate fluctuations on cash held	(118)	266
Cash and cash equivalents at the beginning of financial year	111,236	86,808
Cash and cash equivalents at the end of financial year	141,308	88,798

Notes:

(1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the explanatory notes attached to this 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 2023.

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 2023.

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 2023. The Group has not applied in advance the following accounting standards (including the consequential amendments, if any that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

Effective for annual periods commencing on or after 1 January 2024

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

Effective for annual periods commencing on or after 1 January 2025

- Amendments to MFRS 121: Lack of Exchangeability



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

A3. Auditors' Report

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2023.

A4. Seasonal or cyclical factors

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

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

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

A6. Changes in estimates

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

A7. Debt and equity securities

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter. As at 31 March 2024, the number of treasury shares held were 216,868 ordinary shares at RM60,173.

A8. Dividend paid

The second interim single-tier dividend of 1.00 sen per ordinary share in respect of the financial year ending 30 June 2024 totalled to RM7,517,831 was declared on 28 February 2024 and paid on 27 March 2024.



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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 leather 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: -

	Current Quarter Ended		Cumulative Quarter Ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
<u>AUTOMOTIVE</u>				
Car seat covers				
- OEM ⁽¹⁾	47,443	45,888	150,264	124,844
- REM ⁽¹⁾	2,091	1,678	5,767	5,746
- PDI ⁽¹⁾	3,885	5,629	13,551	15,262
Sub-total for car seat covers	53,419	53,195	169,582	145,852
Leather cut pieces supply	236	336	434	5,532
<u>Others</u>				
- Sewing of fabric car seat covers	3,143	2,521	9,641	7,468
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,757	1,669	5,916	4,937
	58,555	57,721	185,573	163,789
<u>OTHERS</u>				
Healthcare	821	824	2,341	2,404
Aviation	147	36	409	705
Furniture	2	2	6	31
Grand Total	59,525	58,583	188,329	166,929

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



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

A9. Segmental information *(continued)*

b) Geographical segments

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

	Current Quarter Ended		Cumulative Quarter Ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Malaysia	56,165	56,656	177,870	160,211
Rest of Asia	1,999	302	6,240	1,182
Europe	929	1,155	2,596	3,514
North America	344	300	1,340	1,301
Oceania	88	170	283	721
	<u>59,525</u>	<u>58,583</u>	<u>188,329</u>	<u>166,929</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.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING *(continued)***A15. Related Party Transactions**

The Group's related party transactions for the current quarter and the cumulative quarter ended 31 March 2024 are as follows:

	Current Quarter Ended 31.03.2024 RM'000	Cumulative Quarter Ended 31.03.2024 RM'000
Rental charges to related parties		
- Tint Auto (M) Sdn Bhd	54	162
- Rentas Health Sdn Bhd	53	169
Sales to related party		
- Rentas Health Sdn Bhd	822	2,342
Management service to related party		
- Tint Auto (M) Sdn Bhd	15	45
- Rentas Health Sdn Bhd	6	18
Warehouse service charge from related party		
- Rentas Health Sdn Bhd	-	(16)

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's corresponding quarter

For the quarter under review, the Group recorded a revenue of RM59.53 million and a profit after tax ("PAT") of RM14.03 million which signifies an increase of 2% and 64% in revenue and PAT respectively as compared to the preceding year's corresponding quarter. The improvements were mainly attributable to the higher sales volume and better production cost efficiency achieved in the Automotive segment for the current quarter.

The Group's revenue was driven by upholstery car seat covers, sewing and supply of car accessories cover together with the provision of wrapping and stitching services, which contributed about 90%, 5% and 3% of the total revenue respectively. OEM leather car seat segment contributed about 89% of the total revenue for leather car seat covers whilst REM and PDI contributed about 4% and 7% respectively.

However, the revenue generated from the Healthcare business is consistent as compared to the preceding year's corresponding quarter (Q3 FY2024: RM0.82 million; Q3 FY2023: RM0.82 million).

Finance income for the current quarter increased by 110% to RM1.10 million from RM0.52m in the preceding year's corresponding quarter which mainly resulted from the higher interest income earned from the short-term placements strategy on the short-term fixed deposits and short-term investments.

The administrative expenses increased by 22% as compared to the preceding year quarter. The increase was partly due to the administrative cost incurred by PT Gemilang Maju Kencana, our newly acquired subsidiary since 1 April 2023, in which its financial result was not consolidated under the Group in the preceding year's corresponding quarter. Apart from that, a higher bonus provision was allocated on the achievement of a record-high PAT of RM14.03 million as compared to RM8.56 million in the preceding year's corresponding quarter.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS *(continued)***B2. Financial review for the current quarter compared with the immediately preceding quarter**

	Current Year Quarter 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Variance	
			RM'000	%
Revenue	59,525	64,758	(5,233)	-8%
Profit after tax	14,034	13,389	645	5%

For the current quarter under review, the Group' Automotive segment of upholstery car seat covers has recorded a lower revenue of RM59.53 million as compared to RM64.76 million in the immediate preceding quarter mainly due to public holidays for the Chinese New Year and a shorter month in February during the current quarter.

Despite the reduction in revenue, the profit after tax in the current quarter has improved by 5% to RM14.03 million from RM13.39 million in the immediate preceding quarter. This was mainly attributable to further cost efficiency achieved in production.

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

B3. Prospects

According to Bank Negara Malaysia (BNM), the Malaysian economy is projected to grow between 4% and 5% in 2024, compared to 3.7% in 2023. Malaysia's economic growth will be supported by resilient domestic expenditure, the technology upcycle, and improved external demand, with the International Monetary Fund (IMF) projecting a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024. On the domestic front, BNM expects increased investment activity, underpinned by the continued progress of multi-year projects from both the private and public sectors.

The automotive industry is considered cyclical, where consumers tend to purchase vehicles when the economy is growing and hold off when the economy slows. We expect to be a beneficiary of Malaysia's continued economic growth, which will sustain demand for new vehicles and, by extension, our products.

Automotive segment

The Group currently derives most of its revenue from the automotive sector in Malaysia. Year to date, Malaysia's automotive industry has witnessed sustained growth. In the first three months of 2024, new vehicle sales measured by total industry volume (TIV) reached 210,431, a 5% year-on-year increase.

For the entire 2024 calendar year, the Malaysian Automotive Association (MAA) expects TIV to hit 740,000. While this is a 7.5% decrease from the previous year, 2024 is still expected to be a strong year for Malaysia's automotive sector for a few key reasons.

Firstly, 2024 will mark the third consecutive year that TIV exceeds 700,000 units. TIV for 2023 hit a historical record of 799,731, far surpassing MAA's forecast of 725,000 vehicles. After a year of breakneck growth, this market correction can be viewed as a healthy consolidation for the industry.

Within the Replacement Equipment Manufacturer (REM) segment, we're working hard to broaden our local and international customer base. Our goal is to secure more customers by expanding into new markets in the United States, Australia, New Zealand, Singapore, and Europe. This year, we intend to make key product launches and ramp up our marketing and brand-building activities, giving us the much-needed exposure we need to accelerate the growth of our REM segment.

We continue to build our presence in Indonesia, following last year's acquisition of a controlling stake in PT Pecca Gemilang Indonesia (PT PGI), previously known as PT Gemilang Maju Kencana.

We believe Indonesia, with its massive population and fast-growing economy, represents a key expansion opportunity for reputable automotive suppliers such as Pecca. Not only does Indonesia have a large and growing base of local car buyers, but it also harbours ambitions to develop a local auto ecosystem and penetrate the global completely built-up (CBU) export market.

Our acquisition of the stake in PT PGI has given us access to the key players in Indonesia's automotive supply chain such as Toyota Custom Group and Atsumitec. It has also expanded our manufacturing footprint internationally for the first time. As demand rises in Indonesia, we expect to make further investments in our capacity.



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

B3. Prospects *(continued)*

We continue to make progress on our second plant at the UMW High Value Manufacturing Park in Serendah, Selangor. After this new plant comes online sometime in 2025, it will double our production capacity, enabling us to meet demand from both existing and new customers, including those from our aviation segment.

The investments in our second plant as well as in Indonesia reflect the Group's long-term focus, where we invest and operate with a five to ten-year horizon, prioritizing substantial future advantages over short-term financial gains.

Aviation segment

Since our founding, we have consistently prioritized exceeding customer expectations with world-class products and manufacturing expertise. Our pursuit of perfection and improving our capabilities have led to decades-long customer relationships and the significant expansion of our production capacity to meet growing demand.

We are now aiming for greater heights by venturing into the aviation MRO business. Our goal is to leverage our decades of expertise in upholstery design and manufacturing to become a major MRO player serving global airlines, lessors and other players in the aviation industry. Our vision is to replicate our success in the automotive industry and become a leading player in aircraft interiors and aviation MRO.

At this stage, we are focused on building a strong customer base in this market, with the help of our two partners, Global Component Asia Sdn Bhd and Aero Cabin Solutions. In the first quarter of FY2024, as part of our collaboration with ACS, we achieved a milestone with our first purchase order to service a 180-seat, Europe-registered Airbus A320 passenger aircraft. Pecca Aviation is in the final stage of completing the product development activity prior to mass production, a critical step before the signing of definitive agreements with ACS.

Overall business

In the long run, the track record we are building in global aviation will deliver significant value to our automotive business, by boosting our industry reputation and helping us secure new, prominent automotive brands as customers. Hence, not only will the aviation business diversify our revenue stream, but it will likely pave the road for even greater success in the automotive market. The aviation segment will be key to unlocking our next phase of growth.

For the rest of the financial year, we anticipate our financial performance to be driven by sustained robust demand for automotive upholstery in Malaysia. We will continue our broader efforts to expand and diversify into new markets across our four key pillars, namely, OEM, REM, aviation, new business and EV-related businesses. On the operational level, we will maintain our focus on organisational and manufacturing excellence.

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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): -

	Current Quarter Ended 31.03.2024 RM'000	Cumulative Quarter Ended 31.03.2024 RM'000
Finance income	(1,101)	(2,922)
Depreciation of:		
- Property, plant and equipment	1,168	3,498
- Right-of-use assets	193	607
Realised gain on foreign exchange	(53)	(131)
Unrealised loss on foreign exchange	203	65

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

	Current Quarter Ended 31.03.2024 RM'000	Cumulative Quarter Ended 31.03.2024 RM'000
Income tax expense	4,303	12,914

The effective tax rate for the cumulative quarter is slightly higher of 24.19% compared to the statutory tax rate of 24.00%, mainly due to certain expenses which are not deductible for taxation purpose.

B7. Status of Corporate Proposals

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

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

B8. Utilisation of Proceeds

As announced on 23 April 2018, the Board of Directors has approved the variation of the utilisation of IPO proceeds amounting to RM6.60 million and the extension of time for utilisation of IPO proceeds amounting to RM2.62 million for another 24 months from 19 April 2018. After due deliberation, the Board intends to undertake the variations to vary the utilization of the proceed for working capital and extend the frame to another 24 months from 19 April 2020 to 19 April 2022. In view of the Covid-19 pandemic and Movement Control Order enforced by the Government in March 2020 until the endemic which as announced in April 2022, the Board has approved to further extended the timeframe for utilisation of the proceeds for working capital for another 24 months from 19 April 2022 to 19 April 2024. Further extension of time for another 24 months from 19 April 2024 to 19 April 2026 has been approved by the Board as the REM segment is expanding.

The status of utilisation of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 per share as of 31 March 2024 is as follows:

Purposes	Revised Expected Timeframe for Utilisation (from 19 April 2018)	Revised Amount (RM'000)	Actual Utilisation (RM'000)	Utilised %
a) Working capital	-	27,859	(27,859)	100
b) Repayment of bank borrowings	-	17,100	(17,100)	100
c) Purchase of machineries for the production of car leather seat covers	Within 24 months	4,871	(4,871)	100
d) Construction of an additional storey of production floor area on the existing factory building	-	5,000	(5,000)	100
e) Opening of retail outlets	-	0	0	100
f) Establishment of market presence in Thailand	Within 24 months	0	0	100
g) Expansion of aviation business	Within 24 months	834	(834)	100
h) Estimated listing expenses	-	4,111	(4,111)	100
g) Purchase of raw material	-	5,350	(5,350)	100
i) Selling and distribution expenses of:				
- Retail	Within 24 months	2,000	(40)	2
- Thailand	Within 24 months	0	0	100
- Aviation	Within 24 months	745	(622)	83
Total Public Issue Proceeds		67,870	(65,787)	97

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

	Current Quarter Ended 31.03.2024 RM'000	Audited 30.06.2023 RM'000
Short term borrowings		
Secured:		
Banker Acceptance	2,200	3,800
Post Shipment Buyer Loan	300	2,400
Term Loan	630	630
	<u>3,130</u>	<u>6,830</u>
Long term borrowings		
Secured:		
Term Loan	4,568	5,040
	<u>4,568</u>	<u>5,040</u>
	<u>7,698</u>	<u>11,870</u>

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

As at 31 March 2024, the Company has extended corporate guarantees amounting to RM7.70 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 Board has declared and approved a third interim single-tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 30 June 2024.

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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:

	Current Quarter Ended 31.03.2024 RM'000	Cumulative Quarter Ended 31.03.2024 RM'000
Profit attributable to equity holders	<u>14,050</u>	<u>40,443</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>751,783</u>	<u>751,783</u>
Basic earnings per share (sen)	<u>1.87</u>	<u>5.38</u>
Diluted earnings per share (sen)	<u>1.87</u>	<u>5.38</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 31 March 2024.

B13. Authorisation for Issue

The interim Financial Statements were authorised for issue by the Board of Directors on 24 May 2024.

BY ORDER OF THE BOARD

Kuala Lumpur
24 May 2024