



PECCA

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GROUP BERHAD



**PECCA GROUP BERHAD** (Company No. 909531-D)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

	Notes	Individual Quarter			Cumulative Quarter		
		Current	Preceding	Changes	Current	Preceding	Changes
		Year Quarter 31.03.2022 RM'000	Year Quarter 31.03.2021 RM'000		Year-To-Date 31.03.2022 RM'000	Year-To-Date 31.03.2021 RM'000	
<b>Revenue</b>	A9	45,654	42,502	7.42%	113,643	115,110	-1.27%
Cost of sales		(31,497)	(30,025)	-4.90%	(83,008)	(80,474)	-3.15%
<b>Gross profit</b>		14,157	12,477	13.46%	30,635	34,636	-11.55%
Other Income		357	416	-14.18%	1,208	1,198	0.83%
Selling and distribution expenses		(1,362)	(1,595)	14.61%	(3,921)	(4,430)	11.49%
Administrative expenses		(3,346)	(1,362)	-145.67%	(9,793)	(7,349)	-33.26%
<b>Profit before tax</b>	B5	9,806	9,936	-1.31%	18,129	24,055	-24.64%
Income tax expense	B6	(1,717)	(1,890)	9.15%	(3,533)	(4,859)	27.29%
<b>Profit for the period</b>		8,089	8,046	0.53%	14,596	19,196	-23.96%
<b>Other comprehensive income, net of tax</b>							
Exchange difference on translation of foreign operation		(2)	1	300.00%	13	5	160.00%
Total comprehensive income for the financial period		8,087	8,047	0.50%	14,609	19,201	-23.92%
<b>Profit attributable to:</b>							
Owners of the company		8,088	8,047	0.51%	14,604	19,206	-23.96%
Non-controlling interest		1	(1)	200.00%	(8)	(10)	20.00%
<b>Profit for the period</b>		8,089	8,046	0.53%	14,596	19,196	-23.96%
<b>Total comprehensive income for the financial period</b>							
Owners of the Company		8,086	8,049	0.46%	14,611	19,209	-23.94%
Non-controlling interests		1	(2)	150.00%	(2)	(8)	75.00%
<b>Total comprehensive income for the year</b>		8,087	8,047	0.50%	14,609	19,201	-23.92%
<b>Earning per share attributable to Owners of the Company <sup>(2)</sup></b>							
- Basic (sen)	B12	4.35	4.39	-0.84%	7.86	10.85	-27.56%
- Diluted		4.35	4.39	-0.84%	7.86	10.85	-27.56%

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 2021 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.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022**

	<b>Unaudited 31.03.2022 RM'000</b>	<b>Audited 30.06.2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38,335	39,454
Right-of-use assets	11,716	11,723
Other investment	418	418
	<u>50,469</u>	<u>51,595</u>
<b>Current Assets</b>		
Inventories	25,870	28,358
Trade and Other receivables	41,888	30,976
Prepayment	7,413	5,129
Current tax assets	1,427	1,165
Cash and bank balances	76,270	78,132
	<u>152,868</u>	<u>143,760</u>
<b>Total assets</b>	<u>203,337</u>	<u>195,355</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	135,702	135,702
Reserves	45,915	31,304
	<u>181,617</u>	<u>167,006</u>
Non-controlling interest	(71)	(69)
<b>Equity attributable to owners of the Company</b>	<u>181,546</u>	<u>166,937</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,727	5,969
Borrowings	25	-
Lease Liability	74	119
	<u>5,826</u>	<u>6,088</u>
<b>Current Liabilities</b>		
Trade and other payables	13,302	22,055
Borrowings	2,317	-
Lease Liability	346	206
Contract liabilities	-	69
	<u>15,965</u>	<u>22,330</u>
<b>Total liabilities</b>	<u>21,791</u>	<u>28,418</u>
<b>Total equity and liabilities</b>	<u>203,337</u>	<u>195,355</u>
<b>Net assets per share attributable to owners of the parents (sen) <sup>(2)</sup></b>		
	<u>96.63</u>	<u>91.03</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 2021 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 2022 of 187,945,783 (30 June 2021: 183,471,939).



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THIRD QUARTER ENDED 31 MARCH 2022**

	← Attributable to owners of the Company →							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	Retained Earnings RM'000	Total RM'000		
<b>At 01.07.2021</b>									
- as previously stated	135,702	10,765	(60,822)	(4,996)	1	86,356	167,006	(69)	166,937
Foreign currency translation differences for foreign operations	-	-	-	-	7	-	7	6	13
Dividends to owners of the Company	-	-	-	4,936	-	(4,936)	-	-	-
Profit for the financial period	-	-	-	-	-	14,604	14,604	(8)	14,596
<b>At 31.03.2022</b>	<u>135,702</u>	<u>10,765</u>	<u>(60,822)</u>	<u>(60)</u>	<u>8</u>	<u>96,024</u>	<u>181,617</u>	<u>(71)</u>	<u>181,546</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 2021 and the explanatory notes attached to this report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

	<b>9 months ended 31 March</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	18,129	24,054
Adjustments for:		
Depreciation of property, plant and equipment	3,568	3,381
Decrease/(Increase) of right-of-use assets	355	(297)
Loss/(Gain) on disposal of property, plant and equipment	32	(28)
Reversal of impairment loss on trade receivable	(55)	(1,664)
Unrealised loss on foreign exchange	(1)	179
Interest expense	12	2
Interest income	(706)	(850)
<b>Operating profit before working capital changes</b>	<u>21,334</u>	<u>24,777</u>
<b>Changes in working capital:</b>		
Inventories	2,488	172
Trade and other receivables	(10,840)	(16,698)
Prepayment	(2,284)	(8,262)
Trade and other payables	(8,463)	5,712
Change in contract liability	(69)	-
<b>Cash from operations</b>	<u>2,166</u>	<u>5,701</u>
Interest paid	(12)	(2)
Income tax paid	(4,037)	(2,924)
<b>Net cash from/(for) operating activities</b>	<u>(1,883)</u>	<u>2,775</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of plant and equipment	-	49
Acquisition of property, plant and equipment	(2,481)	(6,024)
Interest received	706	850
<b>Net cash from/(for) investing activities</b>	<u>(1,775)</u>	<u>(5,125)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liability	(253)	(37)
Repayment to a corporate shareholder	(270)	-
Disposal of treasury shares	-	7,246
Dividend paid	-	(14,754)
Proceeds from hire purchase and borrowings	2,342	-
<b>Net cash from/(for) financing activities</b>	<u>1,819</u>	<u>(7,545)</u>
<b>Net increase in cash and cash equivalents</b>	(1,839)	(9,895)
Effect of foreign exchange translation	(23)	5
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>78,132</u>	<u>78,394</u>
<b>Cash and cash equivalents at the end of financial period</b>	<u>76,270</u>	<u>68,504</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 2021 and the explanatory notes attached to this report.



## **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 2021.

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 2021.

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 2021. 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 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (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 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and disclosure of Accounting Policies
- Amendments to MFRS108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction



**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 2021.

**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**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter. As at 31 March 2022, the number of treasury shares held were 54,217 ordinary shares at RM165,362.

**A8. Dividend paid**

On 18 October 2021, a total of 4,473,844 treasury shares amounting to RM4,937,000 were distributed as share dividends to shareholders on the basis of 1 treasury share for every 41 ordinary shares held on 20 October 2021, in respect of the financial year ended 30 June 2022. The share dividend has been credited into the entitled shareholders' securities account maintained with Bursa Malaysia Depository on 8 November 2021.

**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	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
<b><u>AUTOMOTIVE</u></b>				
Car seat covers				
- OEM <sup>(1)</sup>	31,781	26,341	70,392	76,009
- REM <sup>(1)</sup>	2,089	2,759	6,640	7,468
- PDI <sup>(1)</sup>	3,821	2,999	9,421	8,671
Sub-total for car seat covers	37,691	32,099	86,453	92,148
Leather cut pieces supply	3,073	2,377	7,319	5,408
<u>Others</u>				
- Sewing of fabric car seat covers	1,022	40	1,838	74
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,420	2,018	4,008	5,387
	43,206	36,534	99,618	103,017
<b><u>OTHERS</u></b>				
Healthcare	2,377	5,884	13,676	11,240
Aviation	64	76	342	334
Furniture	7	8	7	519
<b>Grand Total</b>	<b>45,654</b>	<b>42,502</b>	<b>113,643</b>	<b>115,110</b>

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		Cumulative	
	Quarter Ended		Quarter Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	41,370	39,320	103,871	106,738
Rest of Asia	2,460	1,129	4,202	3,370
Europe	1,257	1,197	2,967	2,556
North America	233	338	1,305	1,227
Oceania	334	518	1,298	1,218
Middle East	-	-	-	1
	<u>45,654</u>	<u>42,502</u>	<u>113,643</u>	<u>115,110</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 31 March 2022 are as follows:

	<b>Current Quarter Ended 31.03.2022 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2022 RM'000</b>
Rental charges to related parties		
- Tint Auto (M) Sdn Bhd	54	162
- Rentas Health Sdn Bhd	40	106
Sale to related party		
- Rentas Health Sdn Bhd	2,444	13,743
Purchase from related party		
- Rentas Health Sdn Bhd	-	116
Management service to related party		
- Rentas Health Sdn Bhd	64	255

*Note:*

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

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

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

For the quarter under review, the Group recorded a revenue of RM45.65 million, representing an increase of 7% as compared to RM42.50 million in the preceding year's corresponding quarter attributable to higher revenue from the Automotive segment.

Despite higher sales recorded, the Group's profit before taxation declined marginally by 1% to RM9.81 million for the current quarter over the preceding year's corresponding quarter profit before tax of RM9.94 million. This is mainly due to the reversal of provision for doubtful debts amounting to RM1.8 million for the Automotive segment in the preceding year's corresponding quarter and the significant impact was mitigated by the higher sales achieved in the current quarter under review.

The Group's revenue was driven by leather upholstery, leather cut pieces supply and healthcare division which have contributed approximately 83%, 7% and 5% of the total revenue respectively. OEM leather car seat segment contributed approximately 84% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 6% and 10% respectively. Revenue generated from the Healthcare business is lower as opposed to the preceding year's corresponding quarter (Q3 FY2022: RM2.38 million; Q3 FY2021: RM5.88 million) mainly due to a decrease in sales while the new agent developing new market penetration.

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

	<b>Current Year Quarter 31.03.2022 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2021 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	45,654	45,198	456	1%
Profit before tax	9,806	7,664	2,142	28%

For the current quarter under review, the Group's revenue increased slightly by 1% to RM45.65 million from RM45.20 million in the immediate preceding quarter.

The profit before taxation in the current quarter improved by 28% to RM9.81 million, primarily attributable to increase in sales volume and better cost efficiency for production for car seat cover due to economy of scale.

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

**B3. Prospects**

Malaysia's GDP expanded further 5.0% for the quarter under review as compared to 3.6% in the previous quarter. The economic performance increased further in this quarter in tandem with robust growth in the Services sector. Further recovery in labour market and continued expansion on the external front have led to economic growth despite the challenging environment especially inflation and global supply chain disruption. The Manufacturing sector elevated 6.6% (Q4 2021: 9.1%) in the first quarter of 2022.

Overall, Malaysia's economic prospect is in picking up momentum and anticipating to play a pivotal role in shaping the national economy in the coming months. The economy will likely perform better than last year in the coming months after the transition to the endemic phase of COVID-19 and the re-opening of all businesses.

**Automotive segment**

The Malaysian Automotive Association (MAA) has reported that Malaysia's new vehicle sales rose 12.8% year-on-year (y-o-y) to 73,222 units in March 2022 compared to 64,938 units previously. In terms of production, a total of 59,908 vehicles were produced compared to 62,221 units in the same month last year.

A combination of factors such as flood affecting production, disruption to logistics and chip shortages resulted in our customer Proton ending with a challenging first quarter of 2022 with a reduction in sales of 18.6%. Despite the challenges, the outlook for the coming quarter will be positive given the situation is improving.

Meanwhile, our other customers Toyota and Perodua fared better in the first quarter of 2022, recording a 31% and 6% increase in y-o-y sales respectively. UMW Holdings Bhd said that both companies were on track to achieve their sales targets for the year and were increasing production levels to expedite vehicle deliveries to customers. Furthermore, the two companies plan to introduce several all-new and updated models this year to drive sales further.

The MAA has forecasted a 17.9% growth in total industry volume to 600,000 units for 2022 as the economy is expected to rebound and all sectors have largely opened up. The sales tax exemption incentive for passenger vehicles till June 30, and ramping up of production and deliveries by automotive companies to fulfill backlog and new orders will contribute positively to the Group's prospects moving forward.

The Group expects to maintain the market leadership in the automotive leather upholstery market in Malaysia, driven by the continuous innovation and improvement in the product offerings and designs to the customers. Ever since the industry-wide lockdowns have been lifted, the utilization rate for our current manufacturing facility continues to operate at nearly 100% to meet the pent-up demand.



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

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

Healthcare segment

The Group expects the demand for PPE products to sustain as medical-grade masks and other mask varieties will continue to be a necessary part of daily life for much of the foreseeable future. Although the government has relaxed rules for the usage of face masks outdoors, it is still strongly encouraged to wear face masks, especially in crowded areas. In view of it is still mandatory to wear facemasks indoors, thus, the Group did not foresee a severe impact on the face masks business.

With a total production capacity of 7 production lines with an output of up to 30 million units of face masks per month. The Group has further expanded into higher-value and more advanced respirator type-masks models such as KF94, KN95 and N95 duckbill for better protection for users.

In addition, Rentas Health Sdn Bhd has engaged leading grocery and pharmacy chains to penetrate local markets across East and West Malaysia. This will potentially bring in more orders and deliver further growth for the Group's healthcare segment in the near future.

Despite the minimum labour wage of RM1,500 per month having taken effect from 1 May 2022, the Group is optimistic about the trend of demand for both automotive and face masks and will continue to focus on prudent procurement strategies and production efficiency to continuously enhance productivity and costs efficiency to mitigate any potential adverse impact on performance and financial strength. The Management remains positive about the Group's performance in the coming quarter as the re-opening of economic activity gathers momentum and business confidence is boosted.



**B4. Variance of actual profit from profit forecast and profit guarantee**

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

**B5. Profit before taxation**

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

	<b>Current Quarter Ended 31.03.2022 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2022 RM'000</b>
Interest income	(217)	(706)
Depreciation of:		
- Property, plant and equipment	1,122	3,567
- Right of use asset	128	355
(Reversal of)/Inventories written down to net realisable value	(135)	6
Reversal of impairment loss on trade receivable	-	(56)
Gain on disposal of property, plant and equipment	32	32
Realised foreign exchange loss	-	33
Unrealised foreign exchange loss/(gain)	(42)	(1)

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.



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

**B6. Taxation**

	<b>Current Quarter Ended 31.03.2022 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2022 RM'000</b>
Income tax expense	1,717	3,533

The Group's effective tax rate for the cumulative quarter of 19% is lower than the statutory tax rate of 24% mainly due to the overprovision of current tax and deferred tax expense in prior year reversed in the current period.

**B7. Status of Corporate Proposals**

On 2 August 2021, The Board of Directors of the company announced the following proposals:-

- i. an acquisition of 204,000 ordinary shares in Rentas Health Sdn. Bhd., representing 51% equity interest in Rentas Health Sdn. Bhd. for a purchase consideration of RM100,000,000 ("Purchase Consideration"). The Purchase Consideration shall be satisfied via a combination of RM50,000,000.00 in cash and issuance of 11,990,400 new Pecca Shares at an issue price of RM4.17 per Pecca Share; and
- ii. a diversification of the existing principal activities of the Company and its subsidiaries to include healthcare related businesses.

On 8 November 2021, the Company had entered into a Mutual Rescission and Release Agreement with Rentas Health Sdn. Bhd. to mutually terminate and rescind the share sale and purchase agreement ("SPA") in accordance with clause 10.1.1 of the SPA, with effect from the date of the Mutual Rescission and Release Agreement. As such, the Proposed Acquisition has been aborted following the termination of the SPA. Accordingly, the Proposed Diversification will be aborted and not pursued at this juncture.

On 24 November 2021, The Board of Directors of the Company announced that the Company signed a Memorandum of Understanding with Malaysia Automotive Robotics and IoT Institute ("MARii") for the Company and its subsidiaries market expansion of products as well as collaboration in electric vehicles parts and components technology.

On 6 January 2022, the Company announced that it proposes to undertake a Proposed Bonus Issue of 564 million new ordinary shares ("Bonus Shares") in the company on the basis of 3 Bonus Shares for every 1 existing share held by its shareholders.

On 12 January 2022, the Company's wholly-owned subsidiary, Pecca Leather Sdn. Bhd. has entered into a Sale and Purchase Agreement ("SPA") with UMW Development Sdn. Bhd. for the acquisition of a vacant leasehold industrial land free from encumbrances measuring approximately 4.31 acres of land in Serendah, Daerah Ulu Selangor, Negeri Selangor at a purchase consideration of RM8.45 million. The acquisition of land is proposed to build and construct a second manufacturing facility for the Company's operations.



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(Incorporated in Malaysia)

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

**B7. Status of Corporate Proposals** *(continued)*

On 17 January 2022, Bursa Malaysia Securities Berhad has given written approval on the listing and quotation for 564 million new shares to be issued pursuant to the Proposed Bonus Issue of Shares.

On 25 February 2022, the EGM has been successfully convened at 10.00 a.m. and the shareholders approved the Proposed Bonus Issue.

On 23 May 2022, the Company announced that the entitlement date for Bonus Issue is 7 June 2022. The date of the listing and quotation for the Bonus Shares will be on 8 June 2022, being the next market day immediately after the entitlement date.



**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.

The status of utilisation of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 as of 31 March 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.



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

**B9. Group borrowings**

	<b>Current Quarter Ended 31.03.2022 RM'000</b>
<b>Short term borrowings</b>	
<b>Secured:</b>	
Banker Acceptance	2,317
<b>Long term borrowings</b>	
<b>Secured:</b>	
Hire purchase	25

Bankers' Acceptances are secured by corporate guarantees of the Company.

As at 31 March 2022, the Company has extended corporate guarantees amounting to RM2.32 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 obligations as 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**

No dividend was declared or recommended for payment by the company during the quarter under review.



**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 Quarter Ended 31.03.2022 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2022 RM'000</b>
Profit attributable to equity holders	8,088	14,604
Weighted average number of ordinary shares in issue excluding Treasury Shares	185,807	185,807
Basic earnings per share (sen)	4.35	7.86
Diluted earnings per share (sen)	4.35	7.86

(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 2022.

**B13. Authorisation for Issue**

The interim Financial Statements were authorised for issue by the Board of Directors on 26 May 2022.

**BY ORDER OF THE BOARD**

Kuala Lumpur  
26 MAY 2022