



PCCS GROUP BERHAD

[Reg. No. 199301026191 (280929-K)]
(Incorporated in Malaysia)

ANNUAL REPORT 2025



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-First (“31st”) Annual General Meeting of the Company will be held at PCCS Group Berhad’s Corporate Office, Lot 1376, GM 127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 28 August 2025 at 10:00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and the Auditors thereon. | Please refer to
Explanatory Note A |
| 2. | To re-elect the following Directors who retire pursuant to Clause 117 of the Company’s Constitution, and being eligible, have offered themselves for re-election:-

(a) Mr. Chan Chow Tek;
(b) Dato’ Chan Chor Ngiak; and
(c) Ms. Goh Wen Ling | Resolution 1
Resolution 2
Resolution 3 |
| 3. | To approve the payment of Directors’ fees amounting to RM540,000/- for the financial year ended 31 March 2025. | Resolution 4 |
| 4. | To approve the payment of Directors’ fees amounting to RM540,000/- for the financial year ending 31 March 2026 until the next Annual General Meeting of the Company. | Resolution 5 |
| 5. | To approve the benefits payable to the Independent Non-Executive Directors up to RM30,000/- for the period from 28 August 2025 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016. | Resolution 6 |
| 6. | To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Resolution 7 |

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

- | | | |
|----|--|---------------------|
| 7. | ORDINARY RESOLUTION
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS | Resolution 8 |
|----|--|---------------------|

“**THAT** subject to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding Treasury Shares, if any) for the time being as stipulated under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities;

AND THAT pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act;

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

8. **ORDINARY RESOLUTION**

- RETENTION OF MR. PIONG YEW PENG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

Resolution 9

“**THAT** approval be and is hereby given to Mr. Piong Yew Peng, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, retain as an Independent Non-Executive Director of the Company.”

9. **ORDINARY RESOLUTION**

- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 10

“**THAT** subject to the provisions of the Companies Act 2016 (“**the Act**”), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and all other relevant authority, approval be and is hereby given for the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities, upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit and expedient in the interest of the Company (“**Share Buy-Back Mandate**”) provided that:-

- (i) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company for the time being;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the Company’s retained profits at the time of purchase(s);
- (iii) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:-
 - (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever is the earlier;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (iv) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Malaysia Securities and/or cancelled and/or transfer for the purposes of or under an employees' share scheme and/or be dealt with by the Directors of the Company in the manners allowed by the Act;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to implement, finalise and give full effect to the aforesaid with full powers to assent to any condition, modification, variation and/or amendment, if any, as may be imposed by the relevant authorities and to do all such acts and things as the Directors of the Company may deem fit and expedient in the interests of the Company."

- 10. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 or the Company's Constitution.

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
CHENG CHIA PING (SSM PC NO. 202008000730) (MAICSA 1032514)
Company Secretaries

Kuala Lumpur
28 July 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

Information for Shareholders/Proxies

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2025 ("**General Meeting Record of Depositors**") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the member at the Meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting and upon appointment, a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. Where a member appoints more than one (1) proxy in relation to the Meeting, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof.
7. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he/she did as chairman of such meeting;
 - (c) the validity of a poll demanded by him/her at such meeting; or
 - (d) the validity of the vote exercised by him/her at such meeting.

Explanatory Notes to Ordinary and Special Business:-

(A) Audited Financial Statements for the financial year ended 31 March 2025

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 ("**the Act**") does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(B) Resolution 8 – Authority to Issue Shares pursuant to the Act and waiver of pre-emptive rights

The Company wishes to renew the mandate on the authority to issue shares of not more than ten per centum (10%) of the total issued shares capital for the time being pursuant to the Act at the 31st Annual General Meeting of the Company ("**General Mandate**").

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the Thirtieth Annual General Meeting of the Company held on 26 August 2024 ("**Previous Mandate**").

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

After having considered all aspects of the General Mandate, the Board of Directors ("**the Board**") is of the opinion that the seeking of the General Mandate would be in the best interest of the Company and its shareholders, on the following basis:-

- the General Mandate would provide the Company and its subsidiaries with financial flexibility to raise capital expeditiously for its operations, future expansion and business development;
- the General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital arise;
- other financing alternatives such as debt financing may incur interest burden to the Company and its subsidiaries; and
- the General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities when they are identified.

Pursuant to Section 85 of the Act read together with Clause 14 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

Thus, the Company seeks shareholder approval to waive pre-emptive rights under Section 85 of the Act and Clause 14 of the Constitution concerning the issuance of shares through the General Mandate. The proposed Resolution 8, if passed, will allow the Directors to issue new ordinary shares and/or convertible securities to any person under the General Mandate without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to the allotment.

(C) Resolution 9 – Retention as Independent Non-Executive Director

Mr. Piong Yew Peng who was appointed as an Independent Director on 1 April 2015 and redesignated as Senior Independent Non-Executive Chairman on 26 May 2023, has served on the Board for a cumulative term of more than nine (9) years. In accordance with the Malaysian Code on Corporate Governance 2021, the Board has assessed Mr. Piong Yew Peng's independence and considers him to be independent based on several justifications, recommending that he be retained as an Independent Non-Executive Director of the Company:-

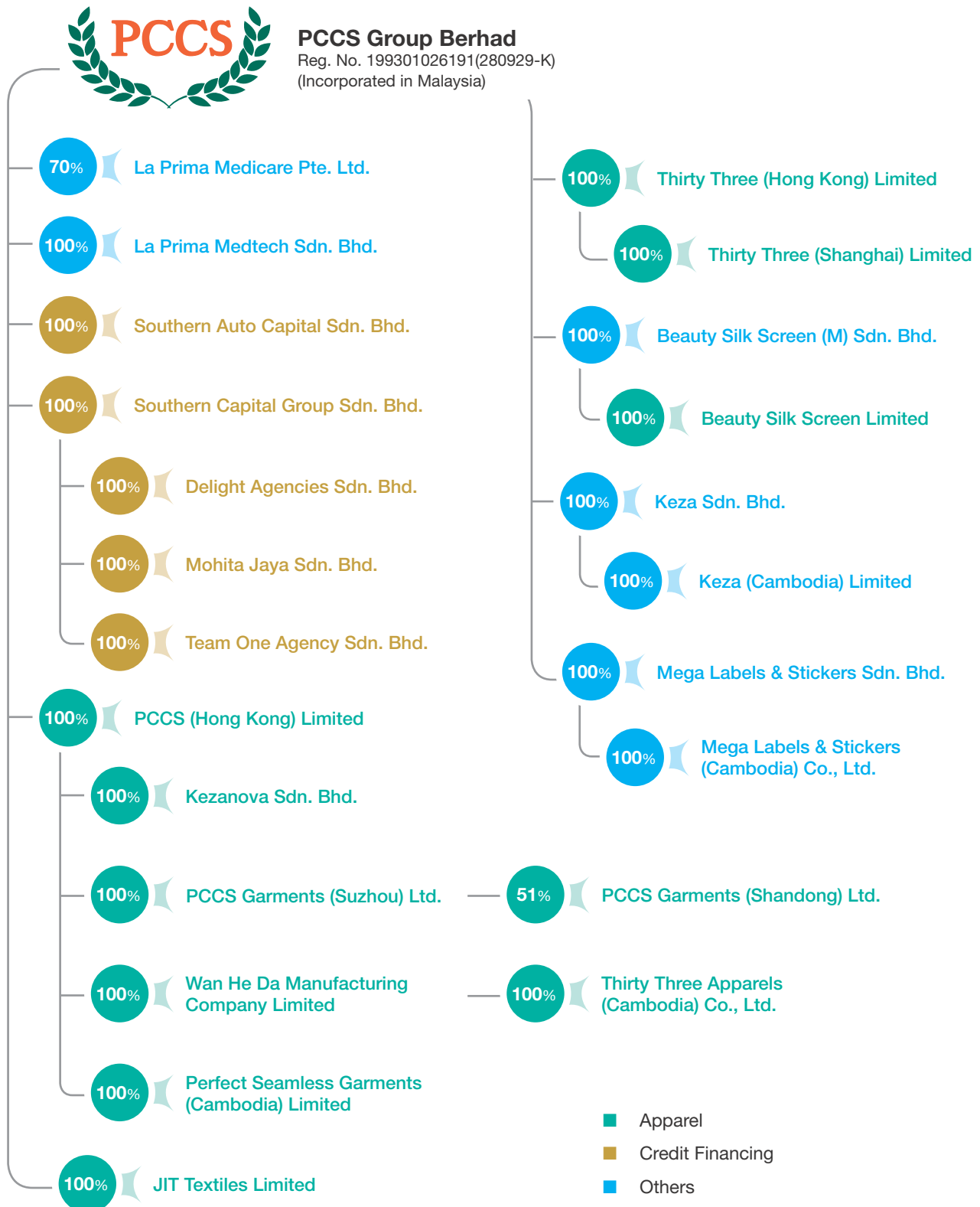
- he has fulfilled the definition of an Independent Director as set out in Paragraph 1.01 of the Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") Main Market Listing Requirements;
- he has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company; and
- he has no potential conflict of interest with the Company and has not been entering into any contract or transaction with the Company and/or its subsidiaries.

(D) Resolution 10 – Proposed Renewal of Share Buy-Back Authority

The Proposed Resolution 10 is to renew the authority granted by the shareholders of the Company at the Thirtieth Annual General Meeting held on 26 August 2024. The Proposed Renewal of Share Buy-Back Authority, if passed, will empower the Board of the Company to purchase the Company's ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Main Market Listing Requirements.

CORPORATE STRUCTURE

AS AT 28 JULY 2025



CORPORATE INFORMATION

Board of Directors

Piong Yew Peng

Senior Independent Non-Executive
Chairman

Chan Wee Kiang

Group Managing Director

Chan Wee Boon

Executive Director

Chan Chow Tek

Non-Independent Non-Executive
Director

Dato' Chan Chor Ngiak

Non-Independent Non-Executive
Director

Chan Chor Ang

Non-Independent Non-Executive
Director

Joyce Wong Ai May

Independent Non-Executive Director

Goh Wen Ling

Independent Non-Executive Director

AUDIT COMMITTEE

Joyce Wong Ai May (Chairperson)

Goh Wen Ling

Dato' Chan Chor Ngiak

NOMINATION COMMITTEE

Joyce Wong Ai May (Chairperson)

Goh Wen Ling

Dato' Chan Chor Ngiak

REMUNERATION COMMITTEE

Goh Wen Ling (Chairperson)

Joyce Wong Ai May

Dato' Chan Chor Ngiak

COMPANY SECRETARIES

Chua Siew Chuan
(SSM PC NO. 201908002648)
(MAICSA 0777689)

Cheng Chia Ping
(SSM PC NO. 202008000730)
(MAICSA 1032514)

REGISTERED OFFICE AND CORPORATE OFFICE

Lot 1376, GM 127,
Mukim Simpang Kanan,
Jalan Kluang,
83000 Batu Pahat,
Johor Darul Takzim
Tel No: 07-456 8871
Email address: lhtang@pccsgroup.net

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
[197701005827 (36869-T)]
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel No: 03-2084 9000
Fax No: 03-2094 9940 /
03-2095 0292
Email address: info@sshsb.com.my

AUDITORS

Baker Tilly Monteiro Heng PLT (AF 0117)
Chartered Accountants
Baker Tilly Tower,
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan
Tel No: 03-2297 1000
Fax No: 03-2282 9980

SOLICITORS

Enolil Loo
Advocates & Solicitors
M-2-9 Plaza Damas,
60 Jalan Sri Hartamas 1,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan
Tel No: 03-6203 2381
Fax No: 03-6203 2359

PRINCIPAL BANKERS

Malayan Banking Berhad
[196001000142 (3813-K)]

STOCK EXCHANGE LISTING

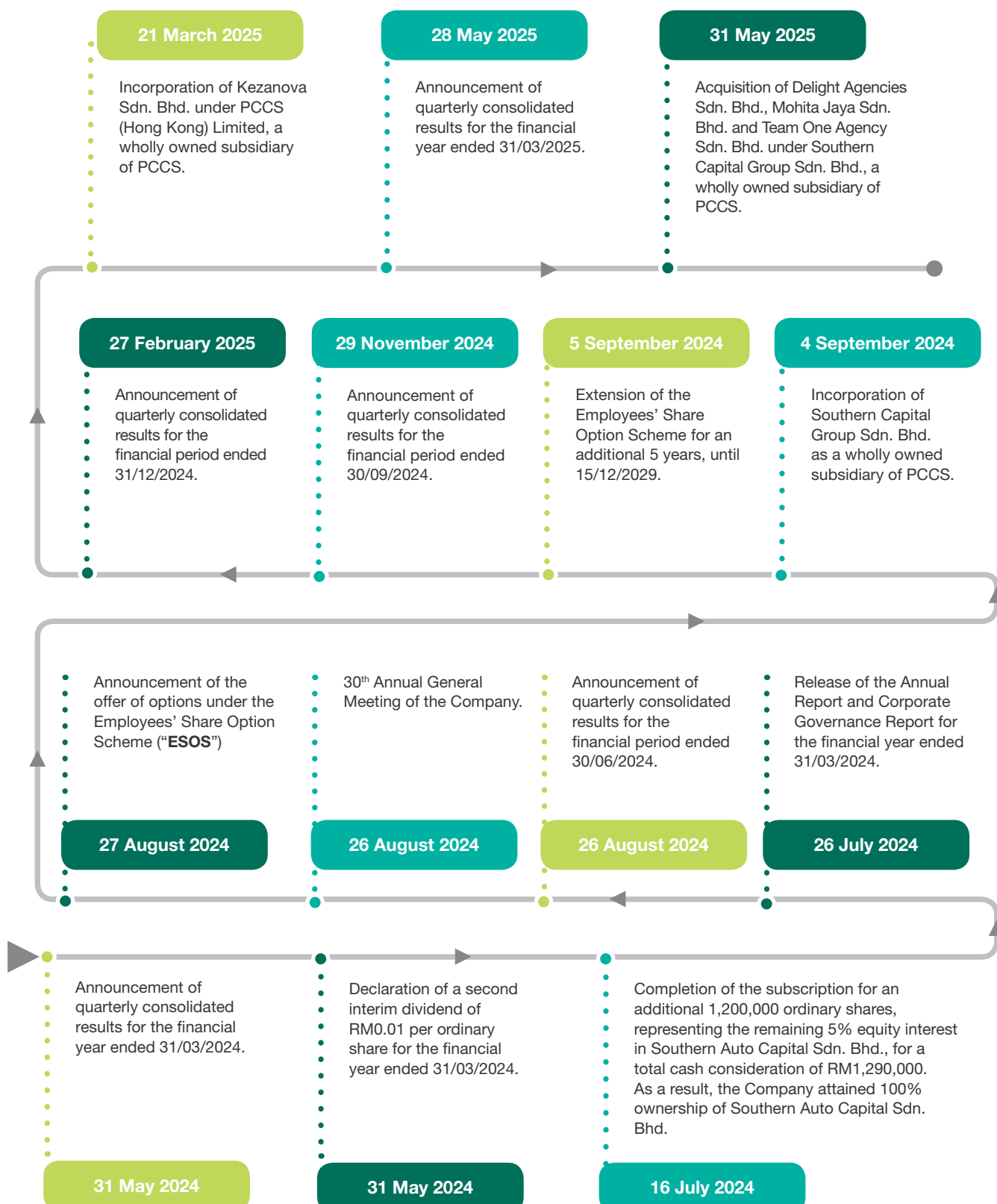
Main Market of Bursa Malaysia
Securities Berhad

CORPORATE WEBSITE

<http://www.pccsgroup.net/>

CORPORATE CALENDAR

1 APRIL 2024 TO 28 JULY 2025



PROFILE OF DIRECTORS



PIONG YEW PENG

Senior Independent Non-Executive Chairman

Malaysian
Male
Aged 54

Mr. Piong was appointed to the Board on 1 April 2015 as an Independent Non-Executive Director and was re-designated as the Senior Independent Non-Executive Chairman on 26 May 2023.

Mr. Piong holds a Bachelor of Business (Accounting) from RMIT University, Melbourne, Australia. He is a member of the Malaysian Institute of Accountants and a fellow member of CPA Australia. Mr. Piong has more than thirty (30) years of experience in providing audit and accounting services to a wide range of clients.

Mr. Piong does not have any family relationship with any Director or major shareholder of the Company. He is the Director of public companies, namely The Pay Fong School Berhad and Premier Pay Fong Foundation. He also represents the Malacca Chinese Chamber of Commerce and Industry to serve as the Director of Memorial Venture Berhad. In addition, he has no directorships in other listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2025.

PROFILE OF DIRECTORS (CONT'D)



CHAN WEE KIANG

Group Managing Director

Malaysian
Male
Aged 47

Mr. Chan Wee Kiang (**David**) was appointed to the Board on 2 November 2020 as the Group Managing Director.

He received a Bachelor of Commerce (Accounting and Finance) from Monash University, Clayton Campus, Melbourne, Australia in 2006.

David started his career in Perusahaan Chan Choo Sing Sdn. Bhd. (currently known as La Prima Medtech Sdn. Bhd.) as a Marketing Executive since 2002 and subsequently being promoted as Marketing Manager in year 2003. In year 2007, he was appointed as Group Marketing Manager in PCCS Group Berhad ("**PCCS**") and subsequently promoted as Deputy Group General Manager in year 2008. He was then promoted as Group Managing Director on 2 November 2020.

David is a substantial shareholder of PCCS effective from 20 March 2018. He is the son of Mr. Chan Choo Sing and Madam Tan Kwee Kee (the substantial shareholders of PCCS) and the brother of Mr. Chan Wee Boon (the Director of PCCS). He has direct interest of 30% in the equity of CCS Capital Sdn. Bhd., the major shareholder of PCCS.

David currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2025.

PROFILE OF DIRECTORS (CONT'D)



CHAN WEE BOON

Executive Director

Malaysian
Male
Aged 44

Mr. Chan Wee Boon (**Edmund**) was appointed to the Board on 2 November 2020 as an Executive Director.

He holds a Bachelor of Civil Engineering from Monash University, Clayton Campus, Melbourne, Australia.

Edmund started his career in China as a Project Manager in 2004. In the year 2010, he joined Mega Labels & Stickers Sdn. Bhd. as General Manager and subsequently being promoted as Group General Manager for Label and Packaging Division in 2014. He was then promoted as the Executive Director of PCCS on 2 November 2020.

He is the son of Mr. Chan Choo Sing and Madam Tan Kwee Kee (the substantial shareholders of PCCS) and the brother of Mr. Chan Wee Kiang (the Director and substantial shareholder of PCCS).

Edmund currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2025.

PROFILE OF DIRECTORS (CONT'D)



CHAN CHOW TEK

Non-Independent Non-Executive Director

Malaysian
Male
Aged 68

Mr. Chan was appointed to the Board on 21 June 1995 as an Executive Director. He was then re-designated as Non-Independent Non-Executive Director on 2 November 2020.

He completed his Malaysian Certificate of Education (which is equivalent to O-Level).

Mr. Chan led all the marketing activities in the Group and has more than fifty (50) years of experience in textile and apparel marketing and merchandising. He started his career in 1973 in marketing the products of Chan Trading to local departmental stores. In 1981, he successfully made the first export order for Perusahaan Chan Choo Sing Sdn. Bhd. (currently known as La Prima Medtech Sdn. Bhd.) and has since brought the company's export sales to greater success.

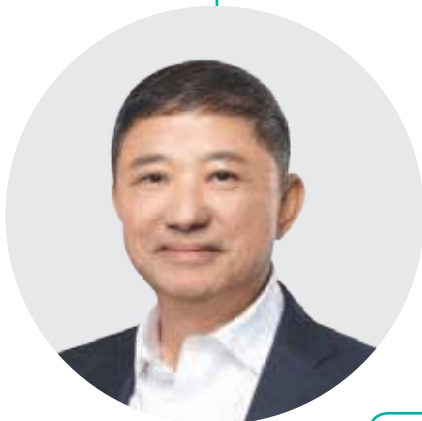
He was also responsible for the development and growth of the Group's garment business. His job includes keeping abreast with the latest development in the apparel and fashion industry by frequent overseas trips to identify new and potential markets.

Mr. Chan is a substantial shareholder of PCCS and is the brother of Dato' Chan Chor Ngiak and Mr. Chan Chor Ang (the Directors of PCCS) and Mr. Chan Choo Sing (the substantial shareholder of PCCS).

Mr. Chan currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2025.

PROFILE OF DIRECTORS (CONT'D)



DATO' CHAN CHOR NGIAK

Non-Independent Non-Executive Director

Malaysian
Male
Aged 63

Dato' Chan was appointed to the Board on 21 June 1995 and serves as Non-Independent Non-Executive Director since then. Dato' Chan is a member of Audit Committee, Nomination Committee and Remuneration Committee.

Dato' Chan completed his Malaysian Certificate of Education (which is equivalent to O-Level). He started his career in 1980 in marketing the products of Chan Trading to local department stores. He has continuously established connections with many business executives in the Chamber of Commerce and Associations. He is the Honorary President of the Chinese Chamber of Commerce in Batu Pahat and the Chairman of the Chinese Association in Parit Raja, Batu Pahat.

The Sultan of Pahang on his eighty-first (81st) birthday conferred the "Darjah Indera Mahkota Pahang (D.I.M.P.)" to him that carries the prestigious title of Dato'.

Dato' Chan is the brother of Mr. Chan Chow Tek (the Director and substantial shareholder of PCCS), Mr. Chan Chor Ang (the Director of PCCS) and Mr. Chan Choo Sing (the substantial shareholder of PCCS).

Dato' Chan currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2025.

PROFILE OF DIRECTORS (CONT'D)



CHAN CHOR ANG

Non-Independent Non-Executive Director

Malaysian

Male

Aged 61

Mr. Chan was appointed to the Board on 21 June 1995 and serves as Non-Independent Non-Executive Director since then.

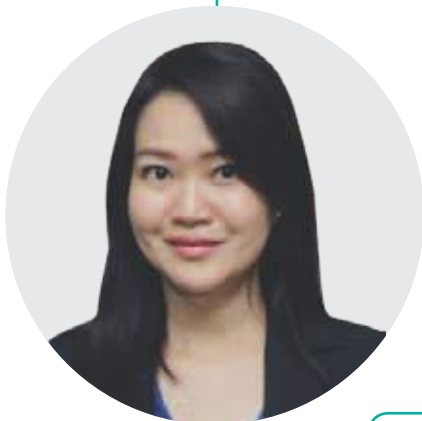
He completed his Junior Middle Three in Chinese High School. He joined Perusahaan Chan Choo Sing Sdn. Bhd. (currently known as La Prima Medtech Sdn. Bhd.) in 1981 and was transferred to Jusca Garments Sdn. Bhd. as the Factory Manager in 1985. He has more than forty (40) years of experience in the textile and garment industry.

Mr. Chan is the brother of Mr. Chan Chow Tek (the Director and substantial shareholder of PCCS), Dato' Chan Chor Ngiak (the Director of PCCS) and Mr. Chan Choo Sing (the substantial shareholder of PCCS).

Mr. Chan currently sits on the board of several private limited companies. He has no directorships in other public companies and listed companies.

He attended three (3) out of four (4) Board of Directors' Meetings of the Company in the financial year ended 31 March 2025.

PROFILE OF DIRECTORS (CONT'D)



JOYCE WONG AI MAY

Independent Non-Executive Director

Malaysian
Female
Aged 48

Ms. Joyce was appointed to the Board on 2 November 2020. She is the Chairperson of the Audit Committee and Nomination Committee. She is also a member of the Remuneration Committee.

Ms. Joyce graduated from the University of Tasmania with a Bachelor of Commerce, majoring in Accounting and Finance. She is a member of the Malaysian Institute of Accountants, a corporate member of the Institute of Internal Auditors Malaysia and a fellow member of CPA Australia.

She started her career with Smith Zain Securities Sdn. Bhd. as an Accounts Executive in 1999 and was subsequently promoted to Head of Finance in 2002 under BBMB Securities Sdn. Bhd., Penang Branch. BBMB Securities Sdn. Bhd. took over the business of Smith Zain Securities Sdn. Bhd. Ms. Joyce joined Hwang-DBS Securities Berhad in 2004 and then left the company to join an international accounting firm in 2005 and was promoted to Director in 2015, before setting up her own consultancy firm where she is the founder and also a Director of JWC Consulting Sdn. Bhd.

She also serves on the Industry Advisory Panel of the School of Business for Disted College, Penang and is a member of the Finance Committee of a non-profit organisation. In addition, she is an Independent Director of Caritas Malaysia. She also holds the position of Independent Non-Executive Director and Audit Committee Chairperson for both Edeltec Holdings Berhad and Foundpac Group Berhad as well as Independent Non-Executive Director and Chairperson of Audit and Risk Management Committee for 3Ren Berhad.

Ms. Joyce does not have any family relationship with any Director or major shareholder of the Company.

She attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2025.

PROFILE OF DIRECTORS (CONT'D)



GOH WEN LING

Independent Non-Executive Director

Malaysian
Female
Aged 45

Ms. Goh was appointed to the Board on 1 September 2022. She is the Chairperson of Remuneration Committee. She is also a member of Audit Committee and Nomination Committee.

Ms. Goh earned a Bachelor of Laws with Honours from the University of Hull in 2000. Inns of Court School of Law at City University London awarded her a postgraduate diploma a year after 2000. In year 2001, she was called to the Bar of England and Wales as a Barrister-at-Law of the Honourable Society of the Middle Temple. She was then admitted to the High Court of Malaya as an advocate and solicitor in 2002.

Ms. Goh has more than twenty (20) years of expertise in the legal industry encompassing direct real estate acquisitions and divestments, retail banking and various aspects of financing, as well as corporate and commercial legal practice.

Ms. Goh kick started her career in Shook Lin & Bok as a pupil-in-chambers in 2001. In July 2002, she was appointed as a Legal Assistant in the department of intellectual property to review and provide advice on the registration of trademarks, patents, and industrial designs registration, as well as trademark and copyright infringement.

Ms. Goh decided to leave the law profession and create her own event management business, Aldrea Dream Media Sdn. Bhd. In year 2003, she returned to legal practice and joined Messrs. Andrew T.S. Goh & Khairil as a Junior Partner and Head of the Conveyancing, Corporate and Banking department and currently still active in legal practice. Her primary areas of expertise include providing advice and drafting shareholder agreements, joint venture agreements (for government and housing development projects), shareholder agreements, share sale agreements, sales and purchase agreements, and Islamic banking loan documentation for various financial institutions and credit companies.

Ms. Goh also sits on the Board of Leong Hup International Berhad, Teo Seng Capital Berhad and MYMBN Berhad. She does not have any family relationship with any Director and/or major shareholder of the Company.

She attended all four (4) Board of Directors' Meetings of the Company in the financial year ended 31 March 2025.

PROFILE OF KEY SENIOR MANAGEMENT



TANG LAI HUAT

Corporate Controller

Malaysian

Male

Aged 42

Dr. Tang was appointed as Financial Controller of PCCS Group Berhad (“PCCS”) on 1 September 2016 and was subsequently appointed as Corporate Controller on 1 March 2018. He is responsible for leading and overseeing the Corporate Office as well as the finance and accounting functions of the Group. He is additionally accountable for executing the group’s policies and strategic deployments, encompassing the realm of credit (the CEO of the sector), medicine equipment and new business. Beyond that, he demonstrates remarkable proficiency in the Sarbanes-Oxley Act, coupled with a profound understanding of legal principles and an extensive familiarity with the most prominent rules and regulations governing capital markets in both the United States and prominent markets jurisdictions.

Dr. Tang holds a Doctorate Degree in Business Administration from the esteemed Business School Netherlands, an University of Applied Sciences in the Netherlands, as well as a distinguished Doctorate Degree in Business Administration from International American University. Additionally, he has attained a Master of Public Administration from Tsinghua University, China (which was also bestowed upon him with the prestigious Outstanding Master’s Thesis Award by Tsinghua University), an EMBA (CEO Class) from Tsinghua University and another EMBA from City University of Hong Kong. Furthermore, he possesses a Master of Business Administration from the renowned Business School Netherlands and has successfully completed both the Association of Chartered Certified Accountants (ACCA) qualification and an Executive Certificate in Financial Strategies for Cross Border Expansion - China program offered jointly by Harvard Business School (US) and Peking University (China).

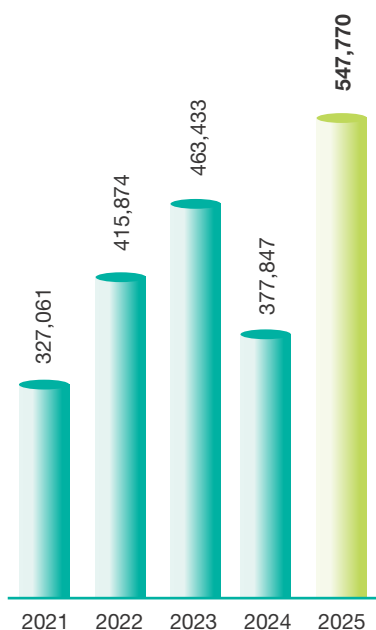
The illustrious career of Dr. Tang commenced at LNB Management Consultancy, where he began as an Audit Assistant and eventually ascended to the esteemed position of Partner prior to his departure. Following this, he embarked on a journey with several prominent manufacturing companies, acquiring extensive expertise in the manufacturing industry and overall corporate operations. Prior to joining our Group in 2012, he held the distinguished role of Financial Controller cum Operation Director at LimKokWing University of Creative Technology. Subsequently, he was appointed as the astute General Manager of Finance & Accounts at JIT Textiles Limited, one of our esteemed subsidiaries. In 2016, he relocated to our Corporate Office and assumed the pivotal role of Financial Controller before being deservedly promoted to Corporate Controller since March 2018. Additionally, Dr. Tang holds the prestigious position of Vice Chairman at Chung De Classics Education Association Malaysia.

Dr. Tang presently serves on the boards of various private limited companies. He has no directorships in any public companies or listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company and he does not have any conflicts of interest with PCCS.

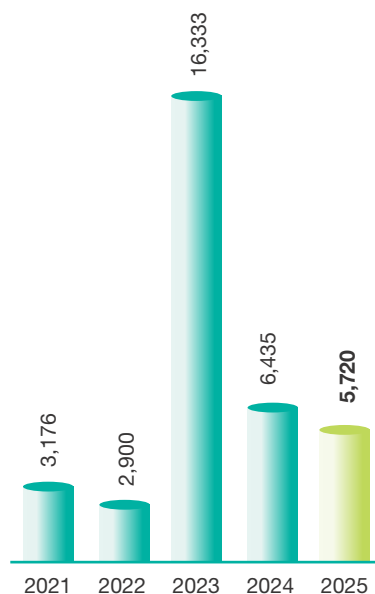
Other than traffic offenses, if any, he does not have any convictions for offenses within the past five (5) years and any public sanction or penalty imposed by any relevant regulatory bodies during financial year ended 31 March 2025.

FIVE (5) YEARS' KEY FINANCIAL HIGHLIGHTS

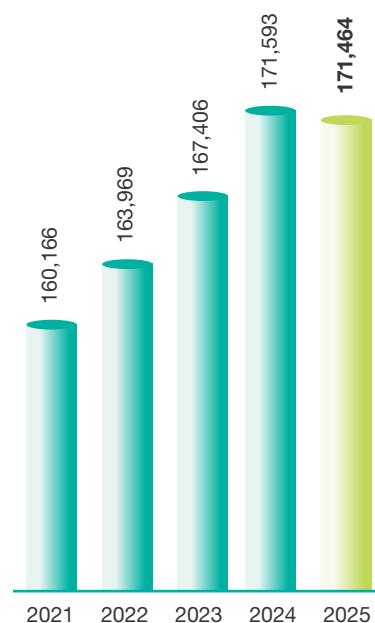
REVENUE
(RM'000)



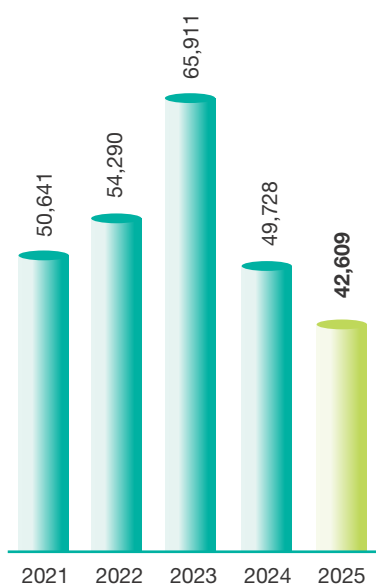
NET PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT
(RM'000)



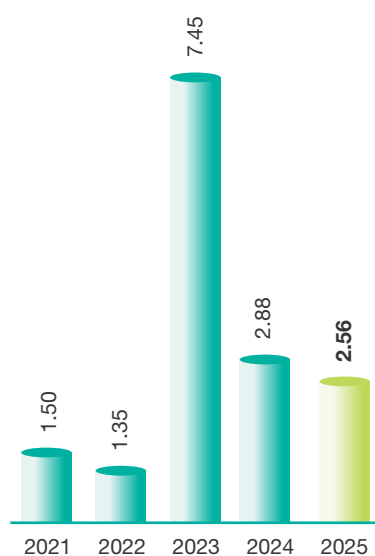
SHAREHOLDERS' FUND
(RM'000)



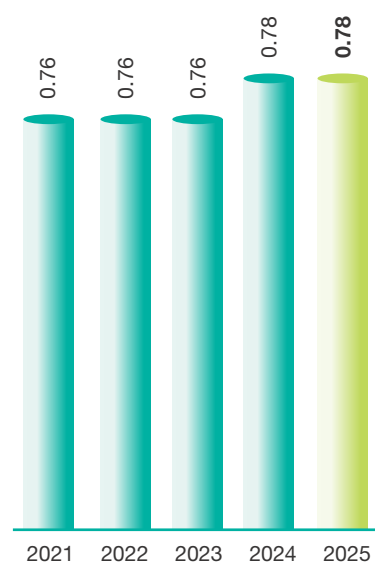
SHORT-TERM FUND*, CASH AND CASH EQUIVALENTS
(RM'000)



EARNINGS PER SHARE
(Sen)



NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT
(RM)



Note:*

- Short-term fund is a fund invested in money market which is managed by investment bank and is redeemable at any point in time.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders and Stakeholders,

It is both an honour and a privilege to present the Annual Report 2025 of PCCS Group Berhad (“**PCCS**” or “**the Company**”) and its subsidiaries (collectively referred to as “**the Group**”), accompanied by the Audited Financial Statements for the financial year ended 31 March 2025 (“**FY2025**”). This comprehensive report stands as a testament to the Group’s enduring resilience, remarkable adaptability, and unwavering progress throughout a year profoundly shaped by formidable global economic challenges.

AN EVALUATION OF THE CORPORATION'S ACCOMPLISHMENTS

First and foremost, I would like to extend my heartfelt gratitude to all our esteemed stakeholders, and especially to the distinguished management and dedicated employees of PCCS, whose unwavering commitment and resilient spirit have enabled the Company not only to endure but to thrive amidst an arduous and demanding business landscape.

During the reporting period, the Group achieved a remarkable revenue of RM547.77 million, marking a substantial year-on-year increase of 44.97% compared to RM377.85 million in the prior financial year. This also represents the Group’s second-highest turnover since its listing on Bursa Malaysia. Despite this impressive growth in top-line performance, the profit from continuing operations attributable to the Company’s shareholders experienced a decline of 11.18%, amounting to RM5.72 million as compared to RM6.44 million in FY2024. This decrease was primarily due to narrower margins from heightened price competition in the apparel segment, unrealized foreign exchange losses, and higher finance costs.

Despite the prevailing challenges, PCCS continues to exhibit remarkable financial resilience. As of 31 March 2025, the Group reported net current assets totaling RM62.64 million and preserved a substantial cash and bank balance of RM42.61 million. Maintaining a gearing ratio of 48%, our judicious and forward-thinking financial stewardship not only empowers us to adeptly navigate through periods of uncertainty but also ensures that we remain strategically poised to capitalize on emerging opportunities for sustained future growth.

RE-EVALUATION OF THE BOARD'S EFFECTIVENESS

The Board is composed of distinguished individuals possessing a wealth of professional expertise, profound industry insights, and a collective dedication to upholding the highest standards of corporate governance. Throughout the financial year 2025, the Board met on a regular basis to exercise strategic oversight, meticulously ensuring that all managerial decisions were harmonized with the Group’s long-term vision and the interests of its valued stakeholders.

We remain steadfast in our commitment to upholding exemplary corporate governance practices, aligning closely with the most recent frameworks and regulatory requirements set forth by Bursa Malaysia Securities Berhad, the Securities Commission Malaysia, and other pertinent regulatory bodies. Our ongoing emphasis is placed on fostering transparency, ensuring accountability, and driving continuous enhancement across every facet of governance.

CHAIRMAN'S LETTER TO SHAREHOLDERS (CONT'D)

A HEARTFELT EXPRESSION OF GRATITUDE AND SINCERE RECOGNITION

On behalf of the Board, it is with sincere gratitude and profound appreciation that I extend our warmest thanks to our esteemed shareholders, loyal customers, and valued business partners for their unwavering trust and steadfast support.

To each and every member of our esteemed employees and management team, we extend our deepest gratitude for your unwavering professionalism, steadfast commitment, and remarkable resilience in the face of challenges. Your tireless dedication continues to serve as the cornerstone of the Group's ongoing progress and distinguished accomplishments.

We extend our sincerest appreciation to the esteemed financial institutions and valued partners who have steadfastly supported us throughout the year. Special recognition is due to those who have contributed to the sustained expansion of our Credit Financing segment—an initiative launched three years ago that has, through dedication and excellence, garnered the trust of distinguished names in the financial sector. Their unwavering confidence in our vision has empowered us to access new sources of capital, significantly enhance our financial capabilities, and steadily strengthen our position within the marketplace.

Your steadfast and unwavering support continues to serve as a vital cornerstone upon which PCCS builds its enduring success.

Sincerely yours,

Piong Yew Peng

Senior Independent Non-Executive Chairman
28 July 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

DEAR ESTEEMED SHAREHOLDERS,

It is with great pleasure that I present to you the Management's Discussion and Analysis for PCCS Group Berhad ("**PCCS**" or "**the Company**") and its subsidiaries (collectively referred to as "**the Group**"), for the financial year ended 31 March 2025 ("**FY2025**"). This comprehensive review provides insight into our business performance, financial position, strategic initiatives, and future prospects.

ENHANCED BUSINESS SEGMENTS

PCCS operates through three main business segments, each focused on specific products and services. This structure reflects our commitment to operational excellence and targeted value creation.

(i) Apparel

The apparel segment primarily engages in the production and promotion of exquisite garments. The flagship subsidiaries within this segment include:-

- (a) Manufacturing in Cambodia
 - Wan He Da Manufacturing Company Limited
 - Thirty Three Apparels (Cambodia) Co., Ltd.
- (b) Manufacturing in the People's Republic of China ("**PRC**")
 - PCCS Garments (Shandong) Ltd.
 - PCCS Garments (Suzhou) Ltd.
- (c) Trading of apparels – based in Hong Kong, Special Administrative Region
 - PCCS (Hong Kong) Limited
- (d) Trading of apparels and providing design service – based in PRC
 - Thirty Three (Shanghai) Limited
- (e) Manufacturing of seamless bonding, printing and marketing of silk screen printing products – based in Cambodia
 - Beauty Silk Screen Limited
 - Perfect Seamless Garments (Cambodia) Limited

(ii) Credit Financing

- The credit financing segment specialises in providing loans for pre-owned automobiles. The leading subsidiary within this segment is Southern Auto Capital Sdn. Bhd.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

ENHANCED BUSINESS SEGMENTS (CONT'D)

(iii) Others

The other segment encompasses a diverse range of activities, including investment holding, and medical operations in Malaysia and Singapore. The entities within this segment include:-

- (a) Investment holding
 - PCCS Group Berhad – the holding company of the Group
- (b) Medical business in Malaysia and Singapore
 - La Prima Medtech Sdn. Bhd.
 - La Prima Medicare Pte. Ltd.

The Management diligently monitors the performance of each business segment in order to make well-informed decisions regarding resource allocation and performance evaluation. Operating profit or loss is assessed at the segment level, while financing costs and income taxes are managed on a consolidated basis.

FINANCIAL PERFORMANCE OVERVIEW

	FYE	
	31 March 2025 (RM'000)	31 March 2024 (RM'000)
Revenue	547,770	377,847
Gross profit	93,546	73,933
Profit After Tax ("PAT") attributable to owners of the Company		
Continuing operations	5,720	6,435
Weighted average number of Shares in issue ('000)	223,021	223,021
Earnings Per Share ("EPS") / (sen):		
- Continuing operations	2.56	2.88
Gross profit margin (%)	17.08	19.57
PAT margin (%)	1.04	1.70
Return on equity ("ROE")	3.34%	3.75%
Return on asset ("ROA")	1.52%	1.79%

Total revenue rose by 44.97%, to RM547.77 million, compared to RM377.85 million recorded in the preceding year. This strong performance was primarily driven by increased contributions from the Group's apparel segment.

Profit attributable to owners of the Company declined by 11.18% to RM5.72 million, down from RM6.44 million reported in the previous financial year. The decrease was primarily due to margin compression arising from intensified price competition in the apparel segment, adverse foreign exchange movements, and increased finance costs, all of which adversely impacted bottom-line earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE OVERVIEW (CONT'D)

Basic earnings per share stood at 2.56 sen, a decrease from 2.88 sen in the previous year because of slight reduction in profit.

Total assets grew by 4.67%, reaching RM375.57 million compared to RM358.81 million in the prior year, largely due to an increase in trade receivables in the apparel segment arising from increased sales.

Total liabilities increased by RM19.2 million to RM202.66 million, compared to RM183.46 million a year earlier, driven by higher trade payables supporting the growth in the apparel segment.

The shareholders' funds decreased modestly by 0.08% to RM171.46 million as of 31 March 2025, with net assets per share at RM0.78.

Return on Equity declined to 3.34% from 3.75% and Return on Assets decreased to 1.52% from 1.79% reflecting margin pressures within the apparel segment.

The Group maintained a healthy gearing ratio of 0.48 times, demonstrating prudent financial management despite expansion activities.

Capital Expenditure totaled RM15.58 million, funded mainly via internal resources of RM14.08 million and leasing arrangements of RM1.50 million. Of this, RM14.81 million was channeled towards enhancing garment manufacturing capacity and upgrading facilities, RM0.45 million supported credit financing initiatives, and RM0.32 million was allocated to other segment.

The Group recorded a positive net cash flow from operating activities in FY2025, marking a significant improvement from the negative position in the previous financial year. This turnaround was primarily driven by improved working capital management. Net cash used in investing activities increased, reflecting capital expenditure of RM14.08 million, mainly allocated to the expansion and upgrading of garment manufacturing facilities. Net cash used in financing activities amounted to RM8.45 million, a reversal from the net cash generated in the prior year. This was primarily due to the repayment of borrowings and lease liabilities during the year, which resulted in a reduction in total borrowings and lease liabilities from RM78.82 million in the previous year to RM74.80 million as at 31 March 2025.

As at year-end, cash and cash equivalents stood at RM40.60 million, compared to RM45.37 million in FY2024. Despite the decrease, the Group maintains a healthy liquidity position to support its operational and strategic requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONAL ASSESSMENT

The summary of the revenue and profit/(loss) for FY2024 and FY2025 based on the Group's operating segments is presented as below:-

	FYE	
	31 March 2025 (RM'000)	31 March 2024 (RM'000)
External revenue		
Revenue from operations:		
Apparel	535,510	367,811
Credit Financing	9,662	9,303
Others*	2,598	733
Total	547,770	377,847
Profit/(Loss) After Tax		
Apparel	15,851	4,964
Credit Financing	1,748	1,829
Others*	(2,285)	(5,154)
	15,314	1,639
Inter-company adjustments and eliminations	(10,512)	2,166
Total	4,802	3,805

Note:

* The other segment encompasses investment holding and medical businesses.

(i) Apparel

The apparel segment operates manufacturing facilities in both China and Cambodia. In FY2025, this segment accounted for 97.76% of total revenue. Revenue increased to RM535.51 million from RM367.81 million in the previous year, driven primarily by higher trading sales in Hong Kong, which in turn was supported by increased manufacturing output from our Cambodia-based factories. Profit after tax rose to RM15.85 million from RM4.96 million in the preceding year, reflecting stronger sales orders. The top five geographical revenue contributions for FY2025 were as follows:



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONAL ASSESSMENT (CONT'D)

(ii) Credit Financing

The credit financing segment recorded a revenue increase to RM9.66 million in FY2025, up from RM9.30 million in the preceding year, primarily driven by higher interest income. However, profit after tax declined slightly to RM1.75 million from RM1.83 million, attributable to a rise in impairment allowance, which increased to RM4.3 million compared to RM4.09 million in FY2024. Lease receivables grew to RM42.73 million from RM41.51 million, reflecting continued loan portfolio expansion. The Gross Impaired Loans ratio increased marginally to 8.04% as at 31 March 2025, from 5.12% in the previous year. In response, the Group continues to uphold disciplined credit control practices. This includes stringent borrower assessment protocols, proactive account monitoring, and timely intervention measures aimed at mitigating default risks. Additionally, regular reviews of impairment provisioning methods are conducted to ensure adequacy and alignment with evolving credit conditions.

(iii) Others

The other segment reported revenue of RM2.6 million in FY2025, marking a notable 372.73% increase from RM0.55 million in FY2024, driven primarily by heightened sales of medical devices. The segment recorded a Loss After Tax of RM2.29 million in FY2025, compared to a loss of RM5.15 million in FY2024. The improved results were largely attributable to the enhanced performance of the medical business, supported by intensified marketing initiatives and the implementation of various incentive strategies, which contributed to the narrowing of losses during the year.

ANTICIPATED OR KNOWN RISKS

Customer Concentration Risk – Apparel

While the Group's strategic partnership with major customers provides deep insight into evolving client needs and promotes product innovation and service excellence, it also poses a customer concentration risk. To mitigate this, the Group continues to pursue customer diversification strategies, including sourcing new brand buyers to help fill production capacity when existing customers reduce their order volumes, especially in both existing and emerging regions such as Europe.

Increasing Labour Cost and Talent Management

With rising labour costs and persistent labour shortages across our manufacturing operations in China and Cambodia, the Group is focusing on productivity enhancement through employee upskilling, performance-driven incentives, and process automation. Continuous investment in technology and digitalisation aims to reduce reliance on manual labour and strengthen long-term operational resilience.

Foreign Currency Risk

Given that a significant proportion of the Group's revenue and procurement activities are transacted in foreign currencies, particularly in USD, our financial results are exposed to foreign exchange fluctuations. To manage this risk, the Group adopts a natural hedging strategy whereby inflows and outflows in the same currency help offset exposure. Additionally, foreign currency trends are actively monitored to guide purchasing and pricing decisions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISKS (CONT'D)

Credit Risk – Credit Financing

The Group's credit financing business is influenced by broader economic conditions, particularly those affecting consumer confidence and spending behavior. A key operational risk lies in borrowers' ability to service their loan obligations. To address this, the Group has implemented stringent credit assessment protocols, active account monitoring, and timely collection practices. The Group also maintains a prudent approach by focusing on low-value hire purchase financing and avoiding overexposure to any single borrower category.

ENHANCED ADAPTABILITY: EMBARKING ON A VOYAGE OF RESILIENCE IN FY2025 AND BEYOND

FY2025 demonstrated PCCS's unwavering resilience and groundbreaking innovation amidst the backdrop of global uncertainties. We adeptly navigated challenges by strategically investing in cutting-edge research and development, optimizing operational efficiency, and swiftly adapting to ever-evolving market dynamics. Our steadfast commitment to sustainability and exemplary environmental, social and governance ("ESG") practices remains at the core, propelling long-term value creation and ensuring utmost stakeholder satisfaction.

THE FUTURE PRESENTS AUGMENTED OPPORTUNITIES FOR BUSINESS

(i) Apparel

Looking ahead, the group holds strong expectations for the coming financial year and remains confident that sales will remain robust as the apparel industry continues its recovery. Sales momentum has strengthened, and order volumes are gradually rebounding in line with improving global economic conditions, increased consumer spending, and a resurgence in retail activity. However, the Group remains cautious of ongoing global trade tensions and potential tariff implications, particularly with the United States. That said, recent signs of diplomatic engagement and room for negotiation provide grounds for cautious optimism. The Group's proactive effort to broaden its product portfolio and diversify its market continue to support a positive outlook for the apparel segment.

The Group's development strategy emphasizes high-quality growth by enhancing the value chain through advanced technologies and product innovation. It also recognizes the importance of new energy adoption and green technologies as critical enablers for long-term sustainability. Human capital development will remain a key focus, with planned reforms to address labour market challenges and ensure workforce resilience.

In parallel, the Group is committed to meaningful corporate social responsibility programmes that support community development, particularly in education and healthcare. By upholding the core values of innovation, sustainability, and social contribution, the Group is well-positioned to navigate uncertainty and capture growth opportunities in the apparel sector.

(ii) Credit Financing

The credit financing business has exhibited remarkable growth and stability, driven by a strategic expansion of clientele and successful procurement of banking facilities from reputable financial institutions. The Group's ability to attract new customers and deepen its market presence underscores the strength of its operating model.

In the upcoming financial year, the segment will focus on enhancing operational capacity through workforce expansion to meet growing demand while maintaining high standards in portfolio management and service delivery.

As part of its broader strategy to enrich the financing ecosystem, PCCS, via its wholly-owned subsidiary Southern Capital Group Sdn. Bhd., successfully acquired three insurance agency companies on 31 May 2025. These agencies collectively represent five insurance companies, positioning the Group to provide bundled financial solutions and strengthen its market credibility.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

THE FUTURE PRESENTS AUGMENTED OPPORTUNITIES FOR BUSINESS (CONT'D)

(iii) Others

The political stability in Malaysia is expected to provide a supportive backdrop for domestic economic growth. The Group intends to achieve organic growth in the medical sector while also exploring strategic mergers and acquisitions to strengthen its footprint.

Expansion plans include broadening our presence in regional markets such as Vietnam, Indonesia, Thailand, Malaysia, and Singapore, with the goal of generating incremental revenue through the distribution of existing medical products.

The Group continues to make substantial investments in research and development to improve product quality, clinical efficacy, and overall patient experience. These efforts are complemented by a focus on forging strong relationships with key stakeholders, including suppliers, distributors, and healthcare providers.

PCCS is well-positioned for long-term success through its strategic focus on market diversification, high-quality product innovation, and customer-centric service delivery.

Our current strategy prioritizes building market leadership in cardiac structural therapy through continued investment in cutting-edge technologies, such as transcatheter valve procedures and robotic-assisted interventions. Concurrently, the Group is advancing research into treatment solutions for adult congenital heart defects, with the aim of improving patient outcomes and long-term quality of life. The segment remains open to evaluating acquisition opportunities that complement existing strengths and broaden its capabilities across the medical value chain.

The Board of Directors ("**the Board**") is cautiously optimistic about the new financial year and firmly believes that the external environment will gradually ameliorate, thereby exerting a positive impact on the Group's overall financial performance. The Group's robust financial situation provides a formidable foundation for exponential growth and expansion across diverse business domains. To accomplish this objective, the Group intends to fortify its business model by prioritizing revenue augmentation, job stability, cost management, and business resurgence.

In addition to these strategic priorities, the Group remains steadfast in its commitment to advancing ESG initiatives. This includes embedding sustainable development principles into all operational processes by adopting environmentally responsible practices, reducing carbon emissions, and enhancing resource efficiency across the organization.

The Group acknowledges its broader responsibility to positively impact society through meaningful social contributions, such as supporting community development, education, and healthcare programmes. By upholding strong corporate governance and aligning ESG priorities with financial objectives, the Group strives to deliver long-term value to shareholders while playing an active role in promoting global sustainability.

The Board looks ahead to the new financial year with cautious optimism and is resolute in its commitment to achieving sustainable growth, social responsibility, and stakeholder value creation.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

DISTRIBUTION OF PROFITS MADE BY THE GROUP TO ITS SHAREHOLDERS

The Board has consistently upheld a dividend policy aimed at duly rewarding shareholders for their unwavering support. However, no dividends were declared for FY2025 in view of ongoing strategic investments. The Group's decision to retain earnings reflects its forward investment strategy in capacity expansion, digitisation, and strategic acquisitions, while remaining committed to long-term shareholder returns when appropriate.

SUMMARY AND ACKNOWLEDGEMENT

The Group's performance is shaped by evolving domestic and global consumer trends. In response, Management remains focused on diversifying revenue streams to enhance resilience. Strategic priorities include:-

- Expansion into new industries beyond apparel, credit financing, and medical devices;
- Broadening product offerings and distribution channels; and
- Strengthening ESG initiatives to align with global sustainability goals.

On behalf of the Board and Management, I would like to express our deepest appreciation to our employees for their unwavering dedication and to our shareholders, partners, customers, financial institutions, and regulatory bodies for their continued trust and support. We look forward to the journey ahead and remain steadfast in our pursuit of sustainable growth and long-term value creation.

For and on behalf of the Executive Management of PCCS

Chan Wee Kiang
Group Managing Director
28 July 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

"Trust is the glue of life.

It is the most essential ingredient in effective communication. It is the foundational principle that holds all relationships. When the trust account is high, communication is easy, instant, and effective."

Inspirational quote by Stephen R. Covey, motivational writer

Drawing the inspiration from Mr. Stephen R. Covey, the Board of Directors ("**the Board**") of PCCS Group Berhad ("**the Company**") wishes to instill trust amongst its stakeholders by adopting good corporate governance practices. The Board recognises the importance of practicing high standards of corporate governance throughout the Company and its subsidiaries ("**the Group**") as a basis of discharging their fiduciary duties and responsibilities to protect and enhance shareholders' value and the performance of the Group. The Board continues its commitment to report on the manner in which the Practice and Guidance of Malaysian Code on Corporate Governance 2021 ("**MCCG**") are applied under the stewardship of the Board, throughout the financial year ended 31 March 2025 ("**FY2025**").

This Corporate Governance Overview Statement ("**this Statement**") also serves to comply with Paragraph 15.25 of the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**").

Details application for each practice of the MCCG during the FY2025 is disclosed in the Company's Corporate Governance Report which is available on the Company's corporate website at <http://www.pccsgroup.net/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

(a) Establishing clear roles and responsibilities of the Board

Duties and Responsibilities of the Board

The Board is responsible for the leadership, oversight and the long-term success of the Group. The Board has delegated certain responsibilities to other Board Committees, which operate within clearly defined Terms of Reference ("**TOR**"). The standing Board Committees include the Audit Committee, Nomination Committee and Remuneration Committee. The Board receives reports at the Board Meeting from the Chairman of each committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board as a whole.

To ensure the effective discharge of functions and duties, the primary responsibilities of the Board include but are not limited to the following: -

- (a) together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- (b) review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
- (c) ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (d) supervise and assess Management's performance to determine whether the business is being properly managed;
- (e) ensure there is a sound framework for internal controls and risk management;
- (f) understand the principal risks of the Group's business and recognise that business decisions involve taking of appropriate risks;
- (g) set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

Duties and Responsibilities of the Board (Cont'd)

- (h) ensure that senior management has the necessary skills and experience, and that there are measures in place to provide for the orderly succession of the Board and senior management;
- (i) ensure that the Group has procedures in place to enable effective communication with stakeholders;
- (j) ensure that all Directors are able to understand financial statements and form a view on the information presented;
- (k) ensure the integrity of the Group's financial and non-financial reporting;
- (l) together with Management, take responsibility for the governance of sustainability in the Group, including setting the Group's sustainability strategies, priorities and targets, and ensure that the same as well as the performance against such targets are communicated to the Company's shareholders and other stakeholders;
- (m) establish policies to strengthen the performance of the Group, including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital; and
- (n) succession planning includes appointing, training, fixing the compensation of and where appropriate, replacing senior management.

Chairman of the Board

Mr. Piong Yew Peng, who was re-designated as Senior Independent Non-Executive Chairman on 26 May 2023, is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board whilst Mr. Chan Wee Kiang, the Group Managing Director ("**Group MD**"), together with the Executive Director, oversees the day-to-day management and operations of the Group and implements the Board's decisions, business strategies and policies. The positions of Chairman and Group MD are held by different individuals and their role and responsibilities are distinct and clearly outlined in the Board Charter.

The Chairman of the Board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee which in compliance with Practice 1.4 of the MCCG.

Qualified Company Secretaries

During FY2025, the Board is supported by two (2) qualified and competent Company Secretaries, Ms. Chua Siew Chuan and Mr. Cheng Chia Ping. Both Company Secretaries are qualified Chartered Secretaries under the Companies Act 2016 and are members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("**MAICSA**"). The Board is satisfied with the support rendered by the Company Secretaries to the Board in the discharge of its roles and responsibility.

Access to information and advice

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors and External Auditors and, may seek advice from the Management on issues under their respective purview.

During the FY2025, each notice calling the Board Meeting is issued at least seven (7) days in advance of the meeting and the Directors are provided at least five (5) business days in advance of the meeting with the relevant agenda detailing the matters to be transacted at the meeting and the meeting papers detailing the key issues so that the Directors have ample time to review and consider the relevant information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

Access to information and advice (Cont'd)

Subsequent to the meeting, the Minutes will be circulated to the Board and Board Committee for confirmation to ensure that deliberations and decisions are accurately recorded.

The Company Secretaries will ensure that a statement of declaration of interest or abstention from voting and deliberation is recorded in the Minutes.

The Board has established the following protocol for its members, outlining the procedures for the Board to gain access to information and advice from professional advisory services with effect from 27 May 2016: -

Protocol for seeking of professional advisory services

Where applicable, the Directors whether as a full Board or in their individual capacity, are encouraged to seek independent professional advice from the following parties: -

- For corporate and/or governance matters, the external Company Secretaries;
- For audit and/or audit-related matters, any representatives of the audit engagement team of the External Auditors or the outsourced Internal Auditors; and
- For any other specific issues where professional advice is required to enable the Board to discharge its duties in connection with specific matters, the Board may proceed to do so upon the approval of the Chairman, in relation to the quantum of fees to be incurred.

(b) Demarcation of responsibility

Board Charter

The Board Charter of the Company was established and adopted on 31 July 2014 and subsequently revised on 28 June 2022. The Board Charter documented the division of responsibilities and powers between the Board and Management as well as the different Board Committees established by the Board and matters reserved for the Board in compliance with Practice 2.1 of the MCCG.

Roles of Senior Independent Non-Executive Director

Mr. Piong Yew Peng is the Senior Independent Non-Executive Chairman of the Company. The roles of the Senior Independent Non-Executive Chairman as entail in the Board Charter, include but not limited to the following: -

- a sounding board for the Chairman;
- an intermediary for other directors when necessary; and
- the point of contact for shareholders and other stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

(c) Good business conduct and corporate culture

Code of Conduct and Ethics

The Group has in place a Group's Code of Conduct and Ethics ("**COC**") which is applicable to the Board, Management and employees of the Group. The Company strives to ensure that the consultants, agents, partners, representatives and others performing works or services for or on behalf of the Group comply with the COC. The COC was initially adopted on 31 July 2013 and was subsequently revised on 28 November 2018.

Whistle Blowing Policy

Whistleblowing is a specific means by which an employee, officer or stakeholder can report or disclose concerns about any violation of the COC, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements through the established channels, whether these are taking place, have taken place or may take place in future. The Group has established Whistle Blowing Policy on 27 May 2016 and subsequently revised on 26 May 2023.

As at the date of this Statement, the Company has not received any complaints under this procedure.

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

With the enforcement of Corporate Liability provisions under Section 17A of Malaysian Anti-Corruption Commission Act 2009 and the amendments to Main LR of Bursa Malaysia Securities in relation to the anti-corruption measures, the Board had on 1 June 2020 adopted an ABAC Policy across the Group, which was later revised on 30 October 2023.

The Group is committed to conduct business with honesty, integrity and ethics in all business dealings and in all jurisdictions where the Group operates. The ABAC Policy entailed areas that are easily exposed to bribery and corruption such as gift, donation, charitable contribution, sponsorship, entertainment, hospitality, facilitation payments, etc. The Directors, employees and any business associates of the Group are strictly prohibited from accepting and taking part in any form of bribery, corruption, extortion or any kind of money laundering activities and the Group has zero-tolerance against such activities.

As at the date of this Statement, there were no bribery or corruption related cases being reported to the Company.

It is the responsibility of the Board to ensure that proper policies are in place to promote good business conduct with high ethical behaviour and integrity. The Board Charter, COC, Whistle Blowing Policy and ABAC Policy are to be regularly reviewed by the Board as and when required, and they are available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

(d) Sustainability

In line with strengthening sustainability and providing more comprehensive and strategic oversight of the Group's economic, environmental, social and governance ("ESG") matters, the Group has established a sustainability governance structure comprising the Sustainability Working Group, Executive Directors and the Board which shall be responsible to instill sustainability at the core of the business within the Group.

The Board has also adopted a Sustainability Policy on 31 March 2021 and subsequently revised on 31 March 2023 to embed sustainability throughout day-to-day operations and align sustainable strategies with the Group's vision, mission and core values. The Sustainability Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

The details of the Group's material sustainability matters are set out in the **Sustainability Statement** in this Annual Report.

II. BOARD COMPOSITION

Size and Composition of the Board

The Board consists of eight (8) members as at FY2025, comprising one (1) Senior Independent Non-Executive Chairman, one (1) Group Managing Director, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors.

Premised on the above, the three (3) Independent Directors comply with the requirement of at least two (2) Directors or one-third (1/3) of the Board are Independent Directors pursuant to Paragraph 15.02 of the Main LR of Bursa Malaysia Securities. The Board consists of two (2) women Directors which complies with Paragraph 15.02(1)(b) of the Main LR of Bursa Malaysia Securities. The Board took note of the requirement of Practice 5.2 of the MCCG which requires at least half of the Board comprises Independent Directors.

The Board is of the view that the current composition of the Board facilitates effective decision making and independent judgement where no individual shall dominate the Board's decision making.

The individual profile of the Directors are available for viewing on Pages 10 to 17 of this Annual Report.

Tenure of Independent Directors

Mr. Piong Yew Peng had served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of ten (10) years as at 1 April 2025.

Following the assessment and recommendation made by the Nomination Committee of the Company, the Board opined that Mr. Piong Yew Peng's independence remains unimpaired and is satisfied that he can continue to bring independent views to the Board and safeguard the minority interest of the Company. Subsequently, the Board has recommended that Mr. Piong Yew Peng be retained as an Independent Non-Executive Director, subject to shareholders' approval at the forthcoming Thirty-First ("31st") Annual General Meeting ("AGM") of the Company through a two-tier voting process according to Practice 5.3 of the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Procedures for Appointment of Directors and Senior Management

Appointment of Directors

The appointment of Directors falls under the purview of the Nomination Committee, which assists the Board with all new Board and Board Committees' appointments and provides a formal and transparent procedure for such appointments, including obtaining a commitment from the candidate that sufficient time will be devoted to carry out the responsibilities as a Director.

The policies and procedures for recruitment and appointment of Directors are set out in the Board Charter. The Board had on 28 June 2022 adopted a Fit and Proper Policy which set out the fit and proper criteria for the appointment and re-election of the Board of the Group. The policy also ensures that each Directors has the character, integrity, experience, competence and time and commitment to effectively discharge his/her role as a Director of the Group.

In the event that a candidate is required for the appointment of Directors, the Nomination Committee will use a variety of approaches and sources to ensure that it identifies the most suitable candidates and will not limit itself by solely relying on the recommendations from existing Board members, Management or major shareholders.

During the FY2025, there was no new Director appointed to the Board of the Company.

Appointments to Board Committees

The review is conducted on an annual basis, and as and when the need arises, such as when a new Director is appointed. In determining the candidates for appointment to the Board Committees, various factors are considered by the Nomination Committee, including but not limited to the following factors: -

- the needs of the particular Board Committees;
- the results of the Board Effectiveness Evaluation for the Board Committees;
- time commitment and availability;
- regulatory requirements; and
- best practices or governance practices.

Appointments to Senior Management

The Human Resources Department is responsible for selection and appointment of candidates for senior management positions based on selection criteria that best match the requirements of the open position. The selection criteria include (but not limited to) diversity in skills, experience, age, cultural background and gender.

Boardroom Diversity

The Board affirms its commitment to boardroom diversity as a truly diversified Board can enhance the Board's creativity, efficiency and effectiveness to thrive in good times and weather thought times.

The Board comprises eight (8) Directors as at FY2025, out of whom two (2) are female, which translates to a 25% female representation. The Nomination Committee strives to source for a suitably qualified female candidate for appointment to the Board when vacancies arise.

Gender and Ethnicity Diversity

The Board does not have any gender or ethnicity diversity policy. The Nomination Committee does not set any target on gender or ethnicity diversity but endeavour to include any member who will improve the Board's overall composition balance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Procedures for Appointment of Directors and Senior Management (Cont'd)

Appointments to Senior Management (Cont'd)

Age Diversity

The Board believes that the Directors with diverse age profile will be able to provide a different perspective and bring vibrancy to the Group's strategy making process.

The age profile of the Directors ranges from forties (40) to sixties (60) years of age, which underlies the Board's commitment to age diversity at the Board level.

Board Committee

Audit Committee

The Audit Committee was set up on 7 February 2002 with Terms of Reference ("TOR") revised on 28 June 2022.

The composition and summary of works of the Audit Committee are stated in the **Audit Committee Report** of this Annual Report.

A copy of the TOR of the Audit Committee is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

Nomination Committee

The Nomination Committee was set up on 7 February 2002 with TOR revised on 28 June 2022. The composition of the Nomination Committee as at the end of FY2025 is as follows: -

Nomination Committee	Designation	Directorate
Joyce Wong Ai May	Chairperson	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director
Dato' Chan Chor Ngiak	Member	Non-Independent Non-Executive Director

The Chairperson of the Nomination Committee is the Independent Non-Executive Director of the Company. The Nomination Committee is governed by its TOR which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the Nomination Committee are set out in the TOR.

A copy of the TOR of the Nomination Committee is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

(a) Summary of Works

Pursuant to Paragraph 15.08A(3) of Main LR of Bursa Malaysia Securities, the summary of activities of the Nomination Committee during the FY2025 were as follows: -

- Review and confirmed the minutes of the Nomination Committee Meeting held in financial year ended 31 March 2024;
- Recommended the re-election of Mr. Chan Wee Kiang, Mr. Chan Wee Boon and Ms. Joyce Wong Ai May who retired pursuant to Clause 117 of the Company's Constitution at the Thirtieth ("30th") AGM of the Company;
- Reviewed the length of service of each Independent Non-Executive Director and assessment of the independency of the Independent Directors in accordance with MCCG and the Main LR of Bursa Malaysia Securities;
- Reviewed the current composition of the Board, the Board Committees and the required mix of skills, experience and other qualities of the Board;
- Conducted the Board evaluation to assess the effectiveness of the Board as a whole and Board Committees;
- Reviewed the evaluation on the contribution and performance of each individual Director;
- Reviewed the term of office of the Audit Committee and assessed its effectiveness as a whole;
- Reviewed the attendance of the Directors at Board and Board Committees meetings for the financial year ended 31 March 2024; and
- Reviewed the training programmes attended by the Directors for the financial year ended 31 March 2024 and identified the training needs for FY2025.

(b) Continuing Education and Training of Directors

All Directors have attended the Mandatory Accreditation Programme ("MAP") and MAP Part II programme on Sustainability, as prescribed by Bursa Malaysia Securities for Directors of listed issuers. Directors' training is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape.

The Directors will continue to participate from time to time in training programmes to keep abreast with the latest developments in the capital markets, relevant changes in laws and regulations, corporate governance matters, sustainability issues and current business issues.

The training programmes and seminars attended by the Directors in FY2025 are as follows: -

Directors	Training(s) Attended
Chan Wee Kiang	<ul style="list-style-type: none"> • Charming speech, deep thinking and powerful expression • L.U.X.E Academy Study Tour
Chan Wee Boon	<ul style="list-style-type: none"> • Vistage Chief Executive Programme
Chan Chow Tek	<ul style="list-style-type: none"> • Directors' Interest in Contracts and Conflict of Interest
Dato' Chan Chor Ngiak	<ul style="list-style-type: none"> • Directors' Interest in Contracts and Conflict of Interest
Chan Chor Ang	<ul style="list-style-type: none"> • Directors' Interest in Contracts and Conflict of Interest

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

(b) Continuing Education and Training of Directors (Cont'd)

Directors	Training(s) Attended
Piong Yew Peng	<ul style="list-style-type: none"> 2024 Crowe Initial Public Offering ("IPO") Conference: Unlocking the Secrets of a Successful IPO Budget 2025 Conference – Turning Tough into Triumph: Strategic Planning for Malaysia's 2025 Fiscal Shif
Joyce Wong Ai May	<ul style="list-style-type: none"> How Can You Start Preparing for E-Invoice Implementation Understanding Financial Statements Why Data Management Framework is Essential for Audit and Compliance Is there a Gold Standard for Transitioning to Net Zero? Women in Leadership: Shaping the Future of the SHEconomy Sustainability Awareness Training for key Senior Management ESG Potentials and the Way Forward Bursa Academy: Conflict of Interest ("COI") and Governance of COI How to Recruit the Right Talent for Your Business Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")
Goh Wen Ling	<ul style="list-style-type: none"> In-house Training: Talks on Indonesian Taxation Bursa Academy: COI and Governance of COI Mandatory Accreditation Programme Part II: LIP Incident and Crisis Management for Social Media Effective Risk Management by ISO 31000 Recent Amendments to Listing Requirements – Enhanced COI Framework In-house Training: Talks on Vietnam Taxation

Upon review, the Board concluded that the Directors' trainings for the FY2025 were adequate.

Remuneration Committee

The Remuneration Committee was set up on 7 February 2002 with TOR revised on 28 June 2022. The Remuneration Committee comprises exclusively of Non-Executive Directors and the composition of the Remuneration Committee is as follows: -

Remuneration Committee	Designation	Directorate
Goh Wen Ling	Chairperson	Independent Non-Executive Director
Joyce Wong Ai May	Member	Independent Non-Executive Director
Dato' Chan Chor Ngiak	Member	Non-Independent Non-Executive Director

The Remuneration Committee is governed by its TOR which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the Remuneration Committee are set out in the TOR.

A copy of the TOR of the Remuneration Committee is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Annual Assessment on effectiveness of Board and Individual Directors

Assessment of the effectiveness of the Directors, the Board as a whole and the Board Committees is being carried out annually. The objective is to improve the Board's effectiveness by identifying gaps, maximising strengths and addressing weaknesses. The Chairman of the Board oversees the overall evaluation process and responses are analysed by the Nomination Committee, before being tabled and discussed at the Board.

The Nomination Committee conducted the following assessments annually: -

Evaluation	Assessment criteria
Individual Directors	<ul style="list-style-type: none"> • Fit and proper • Contribution and performance • Calibre and personality
Board and Board Committees	<ul style="list-style-type: none"> • Board mix and composition • Quality of information and decision making • Boardroom activities • Board's relationship with the Management • ESG issues or Sustainability • Board Committees' performance
Audit Committee	<ul style="list-style-type: none"> • Quality and composition • Skills and competencies • Meeting Administration and Conduct
Independence of the Independent Directors	<ul style="list-style-type: none"> • Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of the Main LR of the Bursa Malaysia Securities

Based on the assessments conducted for the FY2025, the Nomination Committee was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 30th AGM of the Company, the Board through the Nomination Committee, assesses the eligibility of each retiring Director based on the abovementioned annual assessment and in accordance with the Constitution of the Company.

III. REMUNERATION

Directors' Remuneration Policy

The remuneration of each Director reflects the level of responsibility and commitment associated with Board membership. The Board determines the remuneration of the Group MD and Executive Directors.

The Board had on 27 May 2016 adopted a Director Remuneration Policy and subsequently revised on 28 June 2022 in compliance with Practice 7.1 of the MCCG to set the remuneration packages of Directors and senior management. The compensation system takes into account the performance of the Directors and senior management and the competitive environment in which the Group operates.

The Remuneration Committee, when recommending the remuneration package of the Directors and senior management, shall be guided by the main components and procedures provided in the Directors' Remuneration Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION (CONT'D)

Directors' Remuneration Policy (Cont'd)

The Directors' Remuneration Policy is to be regularly reviewed by the Board as and when required.

A copy of the Directors' Remuneration Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

Remuneration of Directors

For the FY2025, the aggregate remuneration received/receivable by the Directors of the Company from the Company and the Group categorised into appropriate components is as follows: -

Received from the Company

Directors' Remuneration	Fees* (RM'000)	Salaries and Other emoluments (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Others (RM'000)	Total (RM'000)
Executive Directors						
Chan Wee Kiang	108.0	134.9	–	–	–	242.9
Chan Wee Boon	48.0	–	–	–	–	48.0
Non-Executive Directors						
Chan Chow Tek	48.0	–	–	–	–	48.0
Dato' Chan Chor Ngiak	66.0	–	–	–	–	66.0
Chan Chor Ang	48.0	–	–	–	–	48.0
Piong Yew Peng	84.0	4.0	–	–	–	88.0
Joyce Wong Ai May	78.0	6.0	–	–	–	84.0
Goh Wen Ling	60.0	6.0	–	–	–	66.0

* Subject to the approval by shareholders at the 31st AGM

Received on the Group Basis

Directors' Remuneration	Fees* (RM'000)	Salaries and Other emoluments (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Others (RM'000)	Total (RM'000)
Executive Directors						
Chan Wee Kiang	108.0	1,119.9	144.3	–	–	1,372.2
Chan Wee Boon	48.0	–	–	–	–	48.0
Non-Executive Directors						
Chan Chow Tek	48.0	606.1	39.7	–	–	693.8
Dato' Chan Chor Ngiak	66.0	–	–	–	–	66.0
Chan Chor Ang	48.0	–	–	–	–	48.0
Piong Yew Peng	84.0	4.0	–	–	–	88.0
Joyce Wong Ai May	78.0	6.0	–	–	–	84.0
Goh Wen Ling	60.0	6.0	–	–	–	66.0

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION (CONT'D)

Remuneration of top five (5) senior management

The Board is of the view that disclosing the remuneration of the top five (5) senior management will give rise to recruitment and talent retention issues and may lead to the performing senior management being lured away by the competitors and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Separation of the positions of the chair of the Audit Committee and the Board

The Audit Committee is chaired by Ms. Joyce Wong Ai May, which is a separate person from the chair of the Board, Mr. Piong Yew Peng.

The composition of the Audit Committee is set out in the **Audit Committee Report** of this Annual Report.

No appointment of former key audit partners as member of the Audit Committee

None of the Audit Committee members was a former key audit partner of the Company and the Board has no intention to appoint any former key audit partner as member of the Audit Committee.

In compliance with Practice 9.2 of the MCCG, the TOR of Audit Committee has been updated accordingly to formalise the appointment of a former key audit partner as a member of the Audit Committee shall observe a cooling-off period of at least three (3) years.

Assessment on External Auditors

In compliance with Practice 9.3 of the MCCG, the Audit Committee had on 28 June 2022 adopted a Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors ("**External Auditors' Policy**") and that such assessment would be carried out annually. The External Auditors' Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

For the FY2025, the Audit Committee had conducted assessment of the suitability, objectivity and independence of the external auditors, namely Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") based on several factors, including independence of the external auditors, quality of audit review procedures, adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with and the extent of the non-audit services rendered.

The Audit Committee was satisfied with Baker Tilly's competency and recommended to the Board the re-appointment of Baker Tilly as the External Auditors of the Company at the 30th AGM. The shareholders subsequently approved the same at the 30th AGM.

Skillsets of Audit Committee

The members of the Audit Committee collectively possess the appropriate and necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance and economics, corporate and commercial legal practice.

In addition, the members of the Audit Committee have attended various continuous training and development programmes as detailed in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control Framework

The Board affirms the importance of maintaining a sound system of internal controls and risk management practices for good corporate governance. The Audit Committee has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems. The activities of the outsourced Internal Auditors are reported regularly to the Audit Committee which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's internal control systems. The Board acknowledges its overall responsibility in this area and also the need to review its effectiveness regularly.

The **Statement on Risk Management and Internal Control** as set out in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

Internal Audit Function

The Group has appointed an independent professional service provider, namely Sterling Business Alignment Consulting Sdn. Bhd. to carry out the internal audit function. The outsourced Internal Auditors report directly to the Audit Committee, providing the Board with reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the Audit Committee, assurance of the effectiveness of the internal control system in the Group.

During the FY2025, the Audit Committee had reviewed and assessed the adequacy of the scope, functions, competency, resources and independence of the outsourced internal auditors and that they have the necessary authority to carry out their work.

The **Audit Committee Report** as set out in this Annual Report provides further details of the Internal Audit Function.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board has a Corporate Disclosure Policy in place on confidentiality to ensure that confidential information is handled properly by the Directors, employees and relevant parties to avoid improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately to Bursa Malaysia Securities.

A copy of the Corporate Disclosure Policy is available for viewing on the Company's corporate website at <http://www.pccsgroup.net/>.

The Board ensures effective, transparent and regular communication with its stakeholders through a variety of communication channels as follow: -

- (a) Announcements to Bursa Malaysia Securities
- (b) Annual Reports
- (c) AGM/General Meetings
- (d) Corporate website
- (e) Senior Independent Non-Executive Director

For the FY2025, the Senior Independent Non-Executive Director has confirmed that he has not received any concerns from shareholders/stakeholders, whether written or verbal.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS

Notice of AGM

Notice of the 30th AGM held on 26 August 2024 was sent out at least twenty-eight (28) days before the date of the meeting so as to enable the shareholders to have full information about the 30th AGM and to facilitate informed decision-making. Full explanation of the effects of any proposed resolution for special business will accompany the notice of 30th AGM.

Directors' Commitment

All the directors were present at the 30th AGM of the Company held on 26 August 2024 to engage with the shareholders personally and proactively.

The Directors ensure sufficient opportunity is given to the shareholders to pose questions and that adequate responses are given during the AGM.

Minutes of the 30th AGM has been made available to shareholders no later than thirty (30) business days after the AGM on the Company's corporate website at <http://www.pccsgroup.net/>.

Voting in absentia and Remote Shareholders' Participation at General Meeting(s)

Although the Board recognises the importance of leveraging technology to facilitate remote shareholders participation and voting on all resolutions via remote participation and voting facilities, but after due considerations, the Company conducted its 30th AGM physically on 26 August 2024.

Even though the Company conducted its 30th AGM at a physical venue, shareholders are allowed to vote in absentia by way of appointing the Chairman of the AGM as their proxy through proxy form with pre-determined voting instructions for the Chairman to vote for and on their behalf.

CONCLUSION

The Board is satisfied that for FY2025, the Company complied substantially with the practices of the MCCG.

The Corporate Governance Overview Statement is made in accordance with a resolution of the Board passed on 28 July 2025.

AUDIT COMMITTEE REPORT

The Board of Directors (“**the Board**”) of PCCS Group Berhad (“**PCCS**”) is pleased to present the Audit Committee report for the financial year ended 31 March 2025 (“**FY2025**”) in accordance with Paragraph 15.15(1) of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”).

A. COMPOSITION

The Audit Committee comprises three (3) members at the end of FY2025: -

Audit Committee	Designation	Directorate
Joyce Wong Ai May	Chairperson	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director
Dato’ Chan Chor Ngiak	Member	Non-Independent Non-Executive Director

All Independent Non-Executive Directors meet the independence criteria under Paragraph 1.01 of the Main LR of Bursa Malaysia Securities.

Ms. Joyce Wong Ai May, the Chairperson, fulfills the requirements of Paragraph 15.10 of the Main LR, and under Practice 9.1 of the Malaysian Code on Corporate Governance 2021, she does not concurrently serve as the Chairperson of the Board.

Ms. Joyce Wong Ai May is a member of the Malaysia Institute of Accountants (“**MIA**”), thereby satisfying the requirement stated in Paragraph 15.09(1)(c)(i) of the Main LR of Bursa Malaysia Securities, which mandates that at least one (1) member of the Audit Committee be a member of MIA.

The Nomination Committee reviewed the terms of office and performance of the Audit Committee and its members on 23 May 2024, ensuring compliance with Paragraph 15.20 of the Main LR, and reported their satisfaction to the Board that the Audit Committee and its members are able to carry out their duties in accordance with the Terms of Reference of Audit Committee.

B. ATTENDANCE

During FY2025, the Audit Committee held four (4) meetings. Attendance details are as follows: -

Directors	Attendance	%
Joyce Wong Ai May (Chairperson)	4 out of 4	100
Goh Wen Ling	4 out of 4	100
Dato’ Chan Chor Ngiak	4 out of 4	100

C. SUMMARY OF WORK

The Audit Committee diligently performed its functions as outlined in its Terms of Reference. Key activities during FY2025 included:

1. Financial Performance and Reporting Oversight

- Reviewed the unaudited quarterly financial results for the quarter ended 31 March 2024, 30 June 2024, 30 September 2024 and 31 December 2024 before recommending them to the Board for approval;
- Reviewed the draft audited financial statements for the financial year ended 31 March 2024 before recommending them to the Board for approval;

AUDIT COMMITTEE REPORT (CONT'D)

C. SUMMARY OF WORK (CONT'D)

1. Financial Performance and Reporting Oversight (Cont'd)

- Reviewed the financial performance and financial highlights of the Group on a quarterly basis;
- Reviewed the identified significant matters pursuant to Paragraph 15.12(1)(g) of the Main LR of Bursa Malaysia Securities on a quarterly basis.

2. Oversight of External Auditors

- Reviewed the suitability, objectivity, and independence of Baker Tilly Monteiro Heng PLT for its re-appointment as External Auditors. The Audit Committee was satisfied with the outcome of the assessment and thereby recommended the re-appointment of Baker Tilly Monteiro Heng PLT as the External Auditor, subject to the approval of PCCS's shareholders at the Thirtieth Annual General Meeting;
- Discussed and reviewed with the External Auditors, the Audit Review Memorandum for the financial year ended 31 March 2024, covering significant audit findings, potential key audit matters, matters for control improvements and significant outstanding matters from the audit field works;
- Discussed and reviewed with the External Auditors, the Audit Planning Memorandum entailing the scope of work and audit plan for the FY2025, including any significant issues and concerns that arose from the audit;
- Discussed and reviewed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board that may impact the unaudited quarterly financial results of PCCS and its subsidiaries ("**the Group**");
- Had one private discussion session with the External Auditors without the presence of the Executive Directors and Management to discuss the major concerns that arose from the annual statutory audit; and
- Reviewed the audit fees for the FY2025 prior to the approval of the Board.

3. Oversight of Internal Audit ("IA")

- Reviewed the IA Report for the FY2025 and assessed the Internal Auditors' major findings and evaluated the Management's responses and made necessary recommendations to the Board for approval;
- Reviewed and adopted the IA plan for the Group for the FY2025 and reported to the Board for notation;
- Reviewed the Status Report on the follow-up actions on the previously reported audit findings of the Group to ascertain the agreed action plans being implemented by the Management;
- Reviewed the adequacy and performance of the IA function and its comprehensive coverage of the Group's activities; and
- Reviewed and assessed the adequacy of the scope, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

4. Review of Related Party Transactions

- Reviewed any related party transactions of the Group on a quarterly basis, including any transaction, procedure or course of conduct that raised questions on management integrity.

AUDIT COMMITTEE REPORT (CONT'D)

C. SUMMARY OF WORK (CONT'D)

5. Oversight of Employee Share Option Scheme ("ESOS")

- Reviewed the summary of the allocation of options pursuant to ESOS on a quarterly basis.

6. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the Audit Committee Meetings;
- Reviewed and recommended to the Board, the Audit Committee Report and Statement on Risk Management and Internal Control, for the inclusion in the Annual Report 2024;
- Reviewed the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority in the Company and recommended the same to the Board for approval;
- Reviewed the conflict of interest or potential conflict of interest.

D. IA FUNCTION

1. Appointment

The Group has appointed an outsourced IA service provider to carry out the IA function, namely Sterling Business Alignment Consulting Sdn. Bhd. ("**Sterling**"). The outsourced Internal Auditors report directly to the Audit Committee, which is delegated by the Board, to provide the Board with a reasonable assurance of the adequacy of the scope, competency, and resources of the IA function. The purpose of the IA function is to provide the Board, through the Audit Committee, with assurance on the effectiveness of the system of internal control for the designated entities of the Group.

2. IA Activities

The IA reporting format can broadly be segregated into three (3) main areas as follows: -

(a) IA Plan of the Group

At the beginning of the financial year, the IA Plan of the Group is presented to the Audit Committee by Sterling for discussion and adoption before recommending it to the Board for notation.

(b) Regular IA Reports

IA reports are reviewed and adopted by the Audit Committee. During the FY2025, Sterling reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and highlighted the weaknesses with the recommended corrective actions to the internal control process. This is to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

For the FY2025, the following subsidiaries of the Group were audited by Sterling: -

Name of Entities audited by Sterling	Date of IA Report
Southern Auto Capital Sdn. Bhd.	23 May 2024
Wan He Da Manufacturing Company Limited	21 November 2024
Wan He Da Manufacturing Company Limited	19 February 2025

AUDIT COMMITTEE REPORT (CONT'D)

D. IA FUNCTION (CONT'D)

2. IA Activities (Cont'd)

(c) Follow-up Reports

In addition, follow-up audit review was conducted on the implementation of recommendations from previous cycles of IA and has updated the Audit Committee on the status of the Management-agreed action plan.

For the FY2025, Sterling presented their status report regarding follow-up actions on previously reported audited findings in respect of the following subsidiaries of the Group: -

Name of Entities followed-up by Sterling	Date of IA Status Report
PCCS Garments (Shandong) Ltd.	22 August 2024
PCCS Garments (Suzhou) Ltd.	22 August 2024

3. Total costs incurred for the FY2025

The total costs incurred for the IA function of the Group for the FY2025 were RM51,500/- (Financial year ended 31 March 2024: RM49,500/-).

4. IA Charter

Pursuant to Paragraph 15.12(1)(e) and (f) of the Main LR of Bursa Malaysia Securities, the Audit Committee is required to review and report to the Board the following in respect of IA:-

- (a) The adequacy of the scope, competency, and resources of the IA function and that it has the necessary authority to carry out its work; and
- (b) The IA plan, processes, and results of the IA assessments and the reviews undertaken to ensure that corrective actions are being implemented accordingly.

The Audit Committee had adopted an IA Charter in order to enable the Audit Committee to discharge its abovementioned roles.

The IA Charter contained the following key items: -

- Objectives and scope of work of Internal Auditors;
- Outsourced IA Function;
- Terms of Reference for IA Function;
- Authority limit;
- Reporting procedures;
- Objectivity and independence;
- IA Function Administration;
- Oversight functions of the Audit Committee in relation to IA Function; and
- Frequency of the review of IA Charter.

The IA Charter was adopted on 27 May 2016.

5. Review of IA Function

With the adopted IA Charter serving as a guiding document, the Audit Committee has performed a review of the IA Function during FY2025. For the FY2025, the Audit Committee concluded that the IA function is independent and satisfactory, and Sterling has performed their audit assignments with impartiality, proficiency and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**the Board**”) of PCCS Group Berhad (“**PCCS**”) is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”) which outlines the nature and scope of risk management and the internal control systems of PCCS and its subsidiaries (“**the Group**”) for the financial year ended 31 March 2025 (“**FY2025**”) pursuant to Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”), Malaysian Code on Corporate Governance 2021 (“**MCCG**”) and “*Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*”.

BOARD RESPONSIBILITY

The Board acknowledges its paramount responsibility for safeguarding shareholders’ investment and the Group’s assets. It regularly reviews the effectiveness, adequacy and integrity of the Group’s risk management framework and internal control system. Recognising the inherent limitations, the system is designed to manage rather than eliminate the risk, providing reasonable assurance against material misstatement or losses.

The Audit Committee, acting on behalf of the Board, ensures the diligent implementation of risk management and internal control practices within the Group. Management exercises sound judgment in assessing risks, identifying mitigation strategies, and evaluating the cost-effectiveness of control measures.

RISK MANAGEMENT

The Board acknowledges its overall responsibility for the Group’s system of risk management as well as reviewing its adequacy and effectiveness. The risk management system is designed to manage the Group’s risks within an acceptable risk profile, rather than to avoid or eliminate the risks that are inherent to the Group’s activities.

The reporting structure for risk management was restructured on 31 January 2018. It consists of a Performance Management Review Team (“**PMRT**”) and a Risk Management Working Group (“**RMWG**”), which together discharge the risk management function of the Group on behalf of the Board.

The composition of the PMRT and RMWG are as follows:-

PMRT

Office	Name(s)
Leaders	Chan Wee Kiang and Tang Lai Huat
Independent Advisors	Piong Yew Peng and So Hsien Ying
Member	Chan Wee Kiang

RMWG

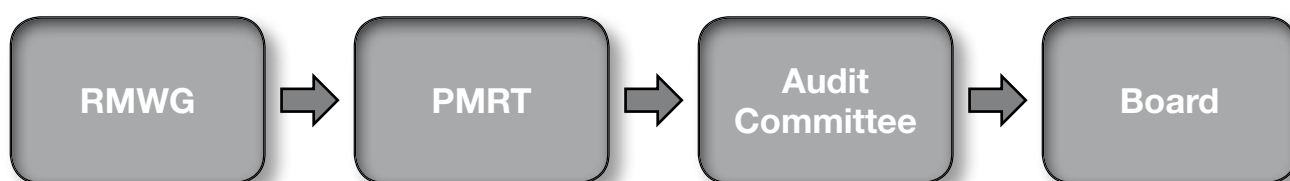
Office	Name(s)
Leader	Chan Wee Kiang
Members	Chan Wee Boon, Chen TianShen, Chong Cher Kung, Shi Xiao Qun, Bernard Huang Jin Hui, Danny Chan Fook Chang, Sim Sian Ling, Jenny Jin Yanni, Ng Beng Hong, Teo Lee Ping, Phua Chee How, Daniel Pua Kian Boon, Jessica Gan Pei Heng, Tan Kee Wai, Ho Ming How, Lee Sze Meen, Eng Sook Keng, Lucy Lu Juan, Gan Chee Eng, Jason Lim Kok Chai, Ng Kok Hoe, Png Kim Leng

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

The RMWG is reporting to PMRT in respect of the identified risks and PMRT will then report directly to the Audit Committee. The RMWG has been delegated to oversee the risk management function and implement the control measures, update the Risk Registry and perform ongoing risk management implementation. PMRT is tasked to set performance measures, review the Risk Registry and assess the effectiveness of the risk management framework.

The reporting structure for risk management is as follows:-



The Board has approved and adopted a Risk Management Handbook on 21 May 2025. The Risk Management Handbook entails the following chapters:-

- (1) Risk Management – Types of Risks and Benefits of Risk Management;
- (2) Terms of Reference and Reporting Structure;
- (3) Roles and Responsibilities;
- (4) Risk Management Framework;
- (5) Risk Measurement (Garment Division);
- (6) Risk Measurement (Credit Financing Division); and
- (7) Implementing Risk Management Process.

For FY2025, the Audit Committee and the Board received and reviewed the Risk Registry of the Company at the Corporate Level, Apparels (Cambodia and China), Medical and Credit Financing Divisions including assessment of any possible corporate liabilities risks and corruption risks in its annual risk assessment of the Group pursuant to the Paragraph 15.29(1)(c) of the Main LR of Bursa Malaysia Securities. The risk factors identified and deliberated were assigned to the respective heads of subsidiaries and risk owners to implement the risk control measures.

For FY2025 and up to the date of this Statement, the PMRT has held four (4) meetings with the Audit Committee, while the RMWG has held four (4) meetings.

The Board has empowered the Management to implement the Board's policies and guidelines on risks and controls, identify and evaluate the risks faced by the Group, and operate a suitable system of controls to manage these risks.

The Board has received assurances from Management that the Group's system of risk management is operating adequately and effectively during FY2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION

An independent consulting firm, Sterling Business Alignment Consulting Sdn. Bhd. ("**Sterling**"), serves as the Group's Internal Auditor, reporting directly to the Audit Committee on a quarterly basis.

The profile of Sterling is set out as follows:-

Principal Engagement Lead	:	Dr. So Hsien Ying
Qualifications	:	She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of the Institute of Internal Auditors Malaysia (" IIAM ") and a member of the Malaysian Alliance of Corporate Directors.
Experiences	:	Thirty-one (31) years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review.
Number of resources	:	Each internal audit review ranges from three (3) to four (4) staff per visit.

Sterling is a corporate member of the IIAM. Sterling uses the Committee of Sponsoring Organisations of the Treadway Commission ("**COSO**") Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems.

During FY2025, Sterling's engagement team personnel affirmed to the Audit Committee that in relation to PCCS and the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independence.

Based on internal audit reviews conducted, Sterling presented observations and recommendations, together with Management's responses and proposed action plans, to the Audit Committee for review. In addition, the Internal Auditor followed up on the implementation of recommendations from previous cycles of internal audit and updated the Audit Committee on the status of Management-agreed action plans.

During FY2025, Sterling reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries of PCCS and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

For the FY2025 and up to the date of this Statement, three (3) internal audit reviews were carried out, and two (2) follow-up status reviews were reported by Sterling to the Audit Committee:-

Audit Period	Reported in	Audited Areas
1 st Quarter (Apr 2024 – Jun 2024)	Aug 2024	Follow-up status update on: <ul style="list-style-type: none"> PCCS Garments (Shandong) Ltd. PCCS Garments (Suzhou) Ltd.
2 nd Quarter (Jul 2024 – Sep 2024)	Nov 2024	Wan He Da Manufacturing Company Limited <ul style="list-style-type: none"> Production planning and material purchase planning Outsourcing Inventory Management
3 rd Quarter (Oct 2024 – Dec 2024)	Feb 2025	Wan He Da Manufacturing Company Limited <ul style="list-style-type: none"> Costing and Gross Profit Margin
4 th Quarter (Jan 2025 – Mar 2025)	May 2025	La Prima Medtech Sdn. Bhd. and La Prima Medicare Pte. Ltd. <ul style="list-style-type: none"> Sales and Marketing Finance and Accounts

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL

The following sets out the key elements of the Group's internal control, which have been in place throughout the FY2025 and up to the date of this Statement:-

- **Organisational Structure**

The Group has a well-defined organisational structure that is aligned with its business and operational requirements. Clearly defined lines of accountability, a delegation of responsibility and a level of authorisation for all aspects of the business have been laid down and communicated throughout the Group.

- **Limits of Authority**

Authority charts have been established within the Group to provide a functional framework of authority in approving sales orders, purchases, expenses and capital expenditures.

- **Review of Financial and Operational Performance**

The Group's performance is monitored through a budgeted system which requires all material variances to be identified, discussed and reviewed by Management on a regular basis.

The Corporate Controller ("CC") would table the same to the Audit Committee and the Board for review and comments at the quarterly held Audit Committee and Board Meeting, respectively.

The Board reviews the Group's financial and operational performance quarterly, which analyses the Group's performance against the preceding year corresponding quarter performance.

- **Employee Handbook**

A comprehensive Employee Handbook has been developed to foster long-lasting and harmonious working relationships among the employees and set out the rules and regulations to be adhered to by the employees in performing their duties. The Employee Handbook is regularly reviewed to incorporate changes that enhance working efficiency.

- **Standard Operating Policies and Procedures ("SOPP")**

Numerous SOPPs have been established to serve as a general management guide for daily operations. These SOPPs are reviewed on a regular basis to reflect changing risks or to resolve any operational deficiencies. They also promote efficiency and accountability for the Group.

- **Health, Safety and Environment Manual**

Adopting stringent monitoring controls on environmental, safety and health, which are of utmost importance to the employees and business. This was enhanced by the Health, Safety and Environment Manual for a safe working environment for all employees. Besides, monitoring control and measures include clearly documented procedures, delegation of duties and responsibilities, schedule of tasks and implementation of control measures.

- **Staff Training and Development Programmes**

Training and development programmes are established to ensure that staff are kept up-to-date with the constantly changing technological environment in order to be competent in the industry in line with achieving the Group's business objectives.

- **Corporate Liabilities Risk**

Implemented Anti-bribery and Corruption Policy and Whistle Blowing Policy to supplement the Group's Code of Ethics. This is also part of the Group's efforts to eliminate corporate liabilities risk in relation to the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

ASSURANCE FROM MANAGEMENT

The Group Managing Director and Corporate Controller have affirmed to the Board the effective operation of the Group's risk management and internal control system throughout FY2025 and up to the date of this Statement.

CONCLUSION

For the FY2025 and up to the date of this Statement, the Board is of the opinion that there is an ongoing process of identifying, evaluating and managing significant risks faced by the Group. The Board continues to take appropriate action plans to strengthen the risk management and internal control system to meet the Group's objectives.

This Statement of Risk Management and Internal Control is made in accordance with the resolution of the Board dated 28 July 2025.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main LR of Bursa Malaysia Securities, the External Auditors, Baker Tilly Monteiro Heng PLT have reviewed this Statement. The review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared in compliance with the requirements of the Companies Act 2016 (**"the Act"**), the Main Market Listing Requirements (**"Main LR"**) of Bursa Malaysia Securities Berhad (**"Bursa Malaysia Securities"**) and the applicable approved accounting policies.

The Directors are responsible to prepare annual financial statements which give a true and fair view of the state of affairs of PCCS Group Berhad (**"the Company"**) and its subsidiaries (**"the Group"**) at the end of the financial year and of their financial results and cash flows for the financial year.

In preparing the financial statements of the Group and the Company for the financial year ended 31 March 2025, the Directors are in the opinion that the Group and the Company have: -

- used appropriate accounting policies and were consistently applied;
- made reasonable and prudent judgments and estimates;
- ensured that all applicable approved accounting standards in Malaysia have been followed; and
- prepared the financial statements based on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors have relied on the system of Internal Controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose the financial position of the Group and the Company with reasonable accuracy which enable them to ensure that the financial statements comply with the provisions of the Act, the Main LR of Bursa Malaysia Securities, and the applicable approved accounting standard by the Malaysian Accounting Standard Board.

The Directors are responsible for taking reasonable steps to safeguard the assets of the Group and the Company, as well as to prevent and detect fraud and other irregularities.

This Statement of Directors' Responsibility in relation to the Financial Statements is made in accordance with the resolution of the Board of Directors dated 28 July 2025.

OTHER INFORMATION

REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

AUDIT AND NON-AUDIT FEES

For the financial year ended 31 March 2025 (“FY2025”), the amount incurred by PCCS Group Berhad (“the Company”) and its subsidiary (“the Group”) with respect to audit fees and non-audit related fees paid to the External Auditors are as follows:-

	Company (RM)	Group (RM)
Audit services rendered	124,000	460,708
Non-audit services rendered		
(1) Tax Review and Services	4,800	30,340
(2) Review of the Statement of Risk Management and Internal Control	5,000	5,000
(3) Corporate Advisory Services	–	104,719
Total	133,800	600,767

UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal. The information in relation to the Employees’ Share Option Scheme (“ESOS”) during the FY2025 is as follows:-

ESOS

The Group’s ESOS, which became effective on 16 December 2019, was initially approved by shareholders at an Extraordinary General Meeting on 26 August 2019 for five years, expiring on 15 December 2024. On 5 September 2024, in accordance with the terms of the ESOS By-Laws, the company approved an extension of the scheme for a further five years, setting its new expiry date to 15 December 2029.

The information in relation to the ESOS are set out in the table below:-

Description	Total number of Options as at 31 March 2025	
	All Eligible Employees including Directors and Chief Executive	Directors and Chief Executive
(1) Options granted	12,382,850	3,422,850
(2) Options exercised	7,414,000	2,174,000
(3) Options expired	3,400,000	210,000
(4) Options outstanding	1,568,850	1,038,850

OTHER INFORMATION
REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD
(CONT'D)

ESOS (CONT'D)

In accordance with the ESOS's By-laws, not more than seventy per centum (70%) of the Company's ordinary shares available under the ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group. The percentage of options granted to the Directors and senior management are set out in table below:-

Options granted to the Directors and senior management	Number of Options (FY2025)	Number of Options (Since commencement of ESOS up to 31 March 2025)
Aggregate maximum allocation in percentage	70.00%	70.00%
The actual percentage granted	2.75%	10.34%

For the FY2025, 608,850 units of ESOS Options were granted and vested to the Group Managing Director. During the same period, no ESOS Options were granted to or exercised by the Non-Executive Directors.

MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors, Chief Executive and major shareholders have entered into any material contracts with the Company and/or its subsidiaries during the FY2025.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE NATURE

The RRPTs were disclosed in Note 34 of the Financial Statements for FY2025 on page 171.

SUSTAINABILITY STATEMENT

WEAVING A SUSTAINABLE TOMORROW

A Brief Look at Our Performance




PCCS is steadfast in embedding environmental, social, and governance (“**ESG**”) considerations across our garment manufacturing operations in alignment with our core principles of “Passion, Care, Commitment, and Sustainability”. This sustainability statement for FY2025 serves as an account of our sustainability progression across our various operations, detailing the Group’s ongoing efforts to generate positive social and environmental impact.

Demonstrating our ongoing commitment to continuous improvement, the Group has advanced our sustainability journey through several key strategic initiatives this year. Notably, we expanded our reporting scope to include data from Beauty Silk Screen Limited, a subsidiary within our Apparel Division, providing a more holistic representation of our sustainability progress. Furthermore, we enhanced our climate-related disclosures by incorporating selected requirements of the International Financial Reporting Standards (“**IFRS**”) S2, allowing us to better evaluate climate-related risks and opportunities within our garment manufacturing operations and enhance our management approach.

The Group also incorporated the Higg Facility Environmental Module (“**Higg FEM**”) to assess our suppliers against specific environmental and social criteria, providing a clearer understanding of their sustainability performance.

Disclosure Scope and Boundary

Disclosures within this statement encompass our sustainability performance from 1 April 2024 to 31 March 2025 (“**FY2025**”) and include data from our Corporate Office and the following subsidiaries.

PCCS Group Berhad Headquarters, Johor, Malaysia		
Our Subsidiaries		
 PCCS Garments (Suzhou) Ltd. (“ SGL ”)	 Wan He Da Manufacturing Company Limited (“ WHD ”)	 Beauty Silk Screen Limited (“ BSSL ”)
Manufacturing and sales of apparels	Garments manufacturing and services	Embroidery, sublimation and silk screen printing services
Jiang Su Province, China	Phnom Penh, Cambodia	Phnom Penh, Cambodia

For SGL and WHD, we present data spanning the past three years to provide a historical perspective of our sustainability performance, facilitating trend analysis and meaningful year-on-year comparisons. As the newly included subsidiary within our reporting scope, BSSL’s data is currently limited to FY2025. Furthermore, our disclosures from our Corporate Office is limited to energy consumption, workforce, and training and development information.

Integrating Best Disclosure Practices

This statement was prepared in compliance with the Bursa Malaysia Securities Main Market Listing Requirements (“**MMLR**”) and aligned with the Sustainability Reporting Guide (3rd Edition). Our disclosures were also guided by the International Financial Reporting Standards (“**IFRS**”) S2, Global Reporting Initiative (“**GRI**”) Standards, and the United Nations Sustainable Development Goals (“**UN SDGs**”).

Ensuring Data Accuracy

All disclosed data is sourced directly from the relevant departments and reviewed by designated data owners within the Group to ensure the accuracy and reliability of our sustainability reporting.

SUSTAINABILITY STATEMENT (CONT'D)

WEAVING A SUSTAINABLE TOMORROW (CONT'D)

Feedback and Contact

We welcome feedback on our sustainability disclosures to facilitate continued improvements in our sustainability reporting. Please direct any suggestions, comments, or observations regarding this statement to the contact details provided below.



Dr. Tang Lai Huat
Corporate Controller
lhtang@pccsgroup.net



PCCS Group Berhad,
Lot 1376, GM 127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim.

PCCS' Partnerships with Industry Associations

Engaging with these esteemed industry associations allows PCCS to remain conversant with industry-wide best practices and acquire real-time insights into current trends. Such affiliations also serve as valuable networking and collaboration opportunities with our peers within the garment manufacturing sector.

Associations and Memberships		
Country	Subsidiary	Association
China	PCCS Garments (Suzhou) Ltd.	Wu Jiang Foreign Investors Association
Cambodia	Wan He Da Manufacturing Company Limited	Textile, Apparel, Footwear & Travel Goods Association in Cambodia ("TAFTAC")
Cambodia	Beauty Silk Screen Limited	Textile, Apparel, Footwear & Travel Goods Association in Cambodia ("TAFTAC")

The Awards Recognising Excellence

WHD's pursuit of operational excellence and promotion of sustainable development has been recognised with multiple industry awards.

WHD's Awards and Recognitions		
Gold Award of Model Green Factory Programme Gold	Outstanding implementation of Environmentally Friendly Practice Awards	Green Industry Award Silver
Recognises our excellence in implementing and enacting green manufacturing practices.	Acknowledges our commitment to practicing environmental friendliness in our operations.	Awarded for our exemplary efforts in sustainable industrial practices and commitment to Cambodia's low-carbon and green industry development.

SUSTAINABILITY STATEMENT (CONT'D)

FY2025 HIGHLIGHTS

Prioritising Ethical Business

We strengthen governance and uphold ethical conduct across our operations and supply chain, implementing anti-corruption measures, ensuring business integrity and upholding responsible sourcing practices.



Zero recorded incidents of substantiated legal or regulatory non-compliance



100% of employees from WHD received anti-bribery training



77% of new suppliers have been assessed based on environmental and social ESG criteria

Maintaining Environmental Responsibility

Environmental responsibility is a core focus of our operations. We address climate change by managing greenhouse gas (“GHG”) emissions to reduce our carbon footprint.



SGL and WHD commenced the utilisation of solar renewable energy in their operations



6.9% of Scope 2 emissions avoided



73% of hazardous waste successfully recycled or diverted from landfill

Fostering Social Sustainability

Social sustainability reflects our commitment to delivering high quality products, safeguarding customer data privacy, fostering an inclusive and healthy workplace, and engaging meaningfully with the community.



Zero substantiated incidents of product mislabelling



Zero substantiated complaints concerning breaches of customer privacy and losses of customer data



2.07 average training hours delivered per employee



Zero incidents of discrimination, forced or child labour

SUSTAINABILITY STATEMENT (CONT'D)

TRACKING OUR SUSTAINABILITY PROGRESSION

FY2018 – FY2019

- Published inaugural Sustainability Statement in FY2018
- Identified nine material matters, conducted the first materiality assessment and established a sustainability governance structure in FY2018
- Implemented a stakeholder engagement table in FY2018
- Disclosed in-depth stakeholder engagement methods in FY2019
- Publicly disclosed Whistle Blowing and Corporate Disclosure Policies in FY2019

FY2023

- Developed an ESG Framework
- Updated our Sustainability Policy to include climate-related disclosures
- Developed a Terms of Reference for the Sustainability Committee
- Disclosed Scope 3 emissions from employee commute and business air travel
- Commenced climate reporting in line with Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations

FY2020 – FY2022

- Adopted GRI standards as a reporting framework in FY2020
- Adopted five UN SDGs in FY2020
- Established a Group-wide Sustainability Policy in FY2021
- Expanded the sustainability reporting scope to include Wan He Da Manufacturing Company Limited in FY2021
- Conducted materiality reassessment and reconfirmed 13 material topics in FY2022
- Revised the Sustainability Governance Structure in FY2022

FY2024

- Expanded Scope 3 GHG emissions reporting to include emissions from business land travel
- Identified potential climate-related risks and opportunities

FY2025

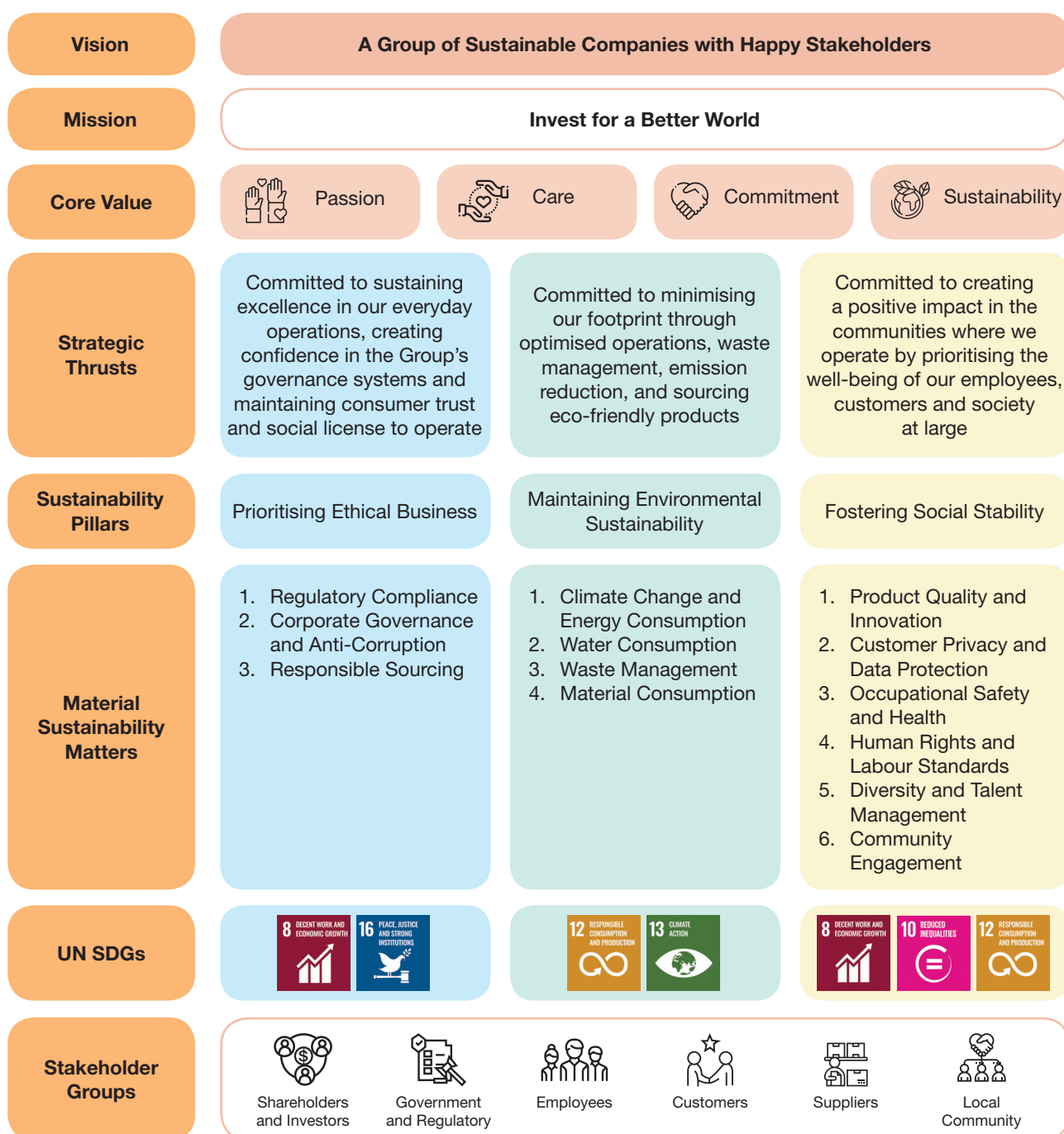
- Expanded sustainability reporting scope to include our subsidiary, Beauty Silk Screen Limited
- Improved climate-related disclosures through early adoption of the International Financial Reporting Standard (“IFRS”) S2

SUSTAINABILITY STATEMENT (CONT'D)

EMBEDDING SUSTAINABILITY INTO OUR CORPORATE APPROACH

Defining Our Sustainability Strategy

Anchored in our Mission, Vision and Core Values, our Sustainability Strategy forms the foundation of PCCS' sustainability strategy and governance. It is structured around three core sustainability pillars, aligned with our ESG focus areas and adopted UN SDGs, facilitating the systematic integration of sustainability considerations across our operations to support the achievement of our strategic objectives.








SUSTAINABILITY STATEMENT (CONT'D)

EMBEDDING SUSTAINABILITY INTO OUR CORPORATE APPROACH (CONT'D)

Contributing to Global Sustainable Development

The UN SDGs are 17 interconnected goals that mobilise global efforts to advance sustainable development for both people and the planet. PCCS supports this agenda by prioritising the five SDGs most relevant to our garment manufacturing operations, driving meaningful impact through targeted initiatives.

	<p>8.7 Eradicate forced labour, end modern slavery, human trafficking and child labour</p> <p>8.8 Protect labour rights and promote safe working environments</p> <p>8.8.1 Fatal and non-fatal occupational injuries</p>	<ul style="list-style-type: none"> Recorded zero cases of human rights violations Ensured compliance with the Employment (Amendment) Act 2022 in Malaysia, Labour Contract Law in China and Labour Law 1997 in Cambodia Recorded zero fatalities across the Group
	<p>10.3 Ensure equal opportunities</p> <p>10.4 Adopt anti-discrimination policies</p>	<ul style="list-style-type: none"> Provided equal opportunities for employment and career development Women represented 73% of the total workforce Recorded zero cases of discrimination in adherence to our Anti-Discrimination and Harassment Policies
	<p>12.2 Efficient use of natural resources</p> <p>12.4 Waste management</p> <p>12.5 Waste reduction and recycling</p>	<ul style="list-style-type: none"> Diverted 74% of hazardous waste, including e-waste, equipment, machinery and motor waste, chemical containers and used batteries from landfills Diverted 90% of our non-hazardous waste, such as carton papers and fabric cuttings from landfill Achieved 86% usage of recycled materials in production, comprising 100% of Recycled Polyester Knit
	<p>13.1 Climate resilience and adaptive capacity</p> <p>13.2 Integrate climate change measures in policy and planning</p>	<ul style="list-style-type: none"> SGL sourced 1,678,003 kWh of electricity from renewable solar and wind farms, offsetting 100% of Scope 2 emissions SGL and WHD commenced the utilisation of energy generated from solar panels, resulting in the avoidance of 140 tCO₂e in Scope 2 emissions
	<p>16.5 Combat corruption and bribery</p> <p>16.B Promote non-discriminatory policies</p>	<ul style="list-style-type: none"> Strengthened anti-corruption measures with the Anti-Bribery and Anti-Corruption Policy and Whistle Blowing Policy Recorded zero cases of bribery and corruption

SUSTAINABILITY STATEMENT (CONT'D)

EMBEDDING SUSTAINABILITY INTO OUR CORPORATE APPROACH (CONT'D)

Policies Empowering Our Initiatives

Our Sustainability Policy articulates the core sustainability principles that guide our business strategies, ensuring we uphold ethical governance, environmental stewardship and positive social impact.

Prioritising Ethical Business



- Upholding the highest standards of ethical business conduct and acting with integrity in everything we do
- Preventing all forms of bribery and corruption across the Group
- Complying fully with all regulatory and legal requirements that PCCS subscribes to across the markets we operate in
- Strengthening the bond between the Group and our stakeholders through regular engagement activities
- Supporting local economic growth by providing business opportunities to local enterprises to the greatest extent possible

Maintaining Environmental Responsibility



- Implementing initiatives to limit our contribution to climate change and anthropogenic greenhouse gas (“GHG”) emissions
- Incorporating monitoring systems to identify climate-related risks and consequently evaluate and improve our environmental performance to build climate resilience across our operations
- Optimising our business activities to maximise resource efficiency
- Procuring products and supplies that are environmentally friendly to minimise the Group’s environmental impact
- Enforcing proper waste management practices across our operations to minimise adverse impacts on the environment surrounding communities

Fostering Social Stability



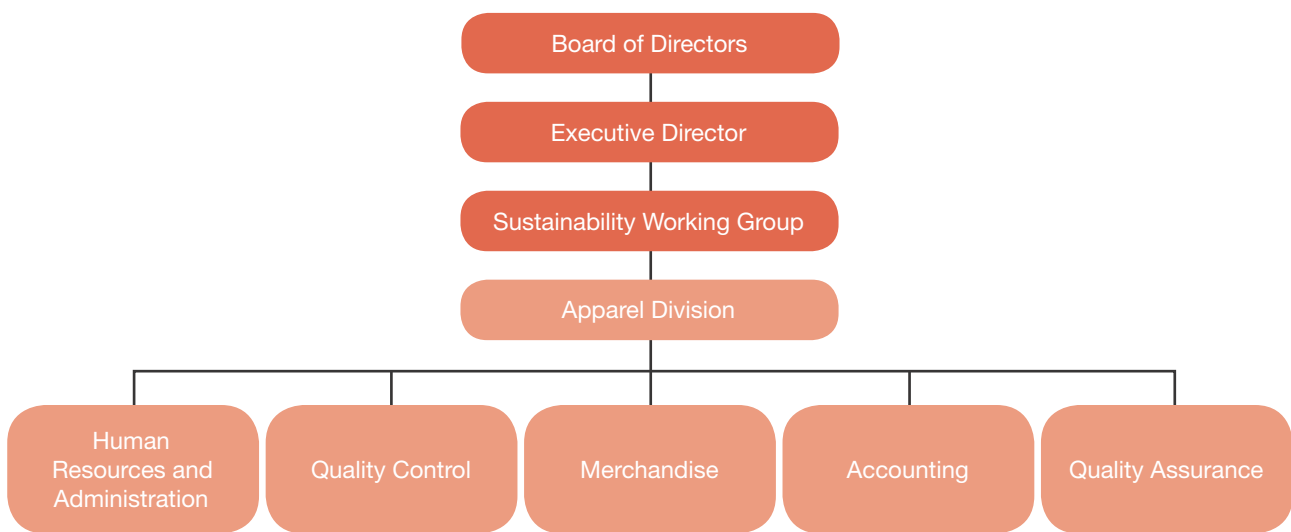
- Manufacturing quality products that sustain customer satisfaction and support long-term value creation
- Fostering a safe workplace for our employees through the implementation of health and safety best practices across our factories and offices
- Respecting and protecting employee rights, providing equal opportunity to all
- Organising capacity building programmes to support employee development and growth
- Protecting customer data privacy against unauthorised access and use

SUSTAINABILITY STATEMENT (CONT'D)

EMBEDDING SUSTAINABILITY INTO OUR CORPORATE APPROACH (CONT'D)

Fostering Growth through Ethical Leadership

Our sustainability governance structure is an integral part of our sustainability strategy, delineating the roles and responsibilities of the Board of Directors (“the Board”), the Executive Director, and the Sustainability Working Group (“SWG”). The framework drives accountability and adherence to ethical business practices, enabling the effective management of risks and opportunities.



Board of Directors

- Strategic oversight over the management of sustainability and climate-related strategies, policies, targets and material sustainability matters
- Approves the content of the sustainability statement
- Ensures ESG-related and climate-related risks and opportunities are incorporated into the Group's strategy and risk management

Executive Director

- Recommends strategies, policies and initiatives that support PCCS' sustainable development
- Reports on the progress of these measures to the Board
- Provides oversight on the execution of sustainability measures by the SWG

Sustainability Working Group

- Implements the Group's sustainability and climate-related strategies and initiatives into the Group's day-to-day operations
- Tracks and collates sustainability performance data for monitoring and reporting purposes
- Prepares the Group's annual sustainability statement

SUSTAINABILITY STATEMENT (CONT'D)

UNDERSTANDING PERSPECTIVES, MEETING EXPECTATIONS

Consistent stakeholder engagement allows us to remain responsive to their evolving expectations regarding our products and adapt to shifting business trends within the garment manufacturing sector. Integrating these insights into our decision-making allows us to better seize emerging opportunities and generate shared value for our stakeholders.

Legend: ● Ad hoc ● Monthly ● Annually ● Throughout the Year

Stakeholders	Key Areas of Concerns	How We Respond	Engagement Method
Shareholders and Investors Provides crucial capital and financial support that drives our long-term growth. Open communication allows us to align our strategic direction with their expectations.	<ul style="list-style-type: none"> Financial and operational performance Corporate governance and compliance 	<ul style="list-style-type: none"> Provided updates on the Group's financial performance Maintained robust corporate governance through internal policies Conducted regular engagement sessions with investors to communicate critical issues 	<ul style="list-style-type: none"> ● Reports and Announcements ● Annual General Meeting ● Corporate Website
Government and Regulatory Engaging with the government and regulatory bodies ensures compliance with laws and regulations and supports our alignment with industry standards.	<ul style="list-style-type: none"> Compliance with laws and regulations Anti-corruption practices Corporate governance practices 	<ul style="list-style-type: none"> Maintained compliance with regulatory and statutory requirements in each country of operations Ensured the relevant legal register is up-to-date Participated in seminars to stay informed on legislative updates and industry trends 	<ul style="list-style-type: none"> ● Inspections ● Reports ● Compliance Checks
Employees Employees contribute their skills and expertise to the Group, which are essential to achieving business goals and success.	<ul style="list-style-type: none"> Employees' compensation and benefits Career development Safe working environments Learning and development opportunities 	<ul style="list-style-type: none"> Implemented strict health and safety practices and procedures Provided training and development programmes to support personal and career growth Provided employee healthcare benefits and competitive remuneration packages Safeguarded employees' rights through the implementation of various policies and procedures 	<ul style="list-style-type: none"> ● Emails, Noticeboards ● Employee Engagement Activities ● Meetings and Training ● Performance Reviews

SUSTAINABILITY STATEMENT (CONT'D)

UNDERSTANDING PERSPECTIVES, MEETING EXPECTATIONS (CONT'D)

Legend: ● Ad hoc ● Monthly ● Annually ● Throughout the Year

Stakeholders	Key Areas of Concerns	How We Respond	Engagement Method
Customers Customers drive the demand for the Group's products or services, influencing revenue and growth. Obtaining their feedback provides insights into their requirements, enabling us to meet their expectations.	<ul style="list-style-type: none"> High-quality and sustainable apparel Product innovation Timely delivery 	<ul style="list-style-type: none"> Conducted internal quality assurance and quality control throughout the manufacturing process to ensure the highest product quality Invested in new machinery that reduces lead times to efficiently meet customer demands Optimised logistics processes to provide efficient and punctual deliveries 	<ul style="list-style-type: none"> ● Customer satisfaction surveys ● Face-to-face meetings and on-site visits ● Plant tours
Suppliers Consistent communication with our suppliers and vendors builds a reliable supply chain capable of delivering the high-quality materials and services necessary for maintaining product quality and ensuring timely delivery.	<ul style="list-style-type: none"> Fair and open procurement Maintaining long-term relationships Compliance with Health, Safety and Environment ("HSE") 	<ul style="list-style-type: none"> Conducted supplier evaluation prior to engagement as per the Group's procurement procedure Maintained open communications with our vendors and suppliers Ensured vendors and suppliers comply with our human rights and environmental policies and requirements 	<ul style="list-style-type: none"> ● Open tendering ● Suppliers' satisfactory assessment ● Face-to-face meetings and on-site visits ● Industry seminars
Local Community The Group's responsible and sustainable practices can positively influence communities, strengthening our community relationships and securing our social license to operate.	<ul style="list-style-type: none"> Contribution to communities Environmental protection awareness 	<ul style="list-style-type: none"> Contributed to and engaged with the local communities through donations, development programmes, relief efforts Conducted environmental awareness programmes with the local communities 	<ul style="list-style-type: none"> ● Responses to enquiries ● Public welfare activities

SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING AND DEFINING OUR PRIORITIES

Materiality assessments are crucial tools for identifying the material matters of greatest significance to both our stakeholders and the Group, supporting the development of targeted strategies and efficient resource allocation. In FY2023, we undertook a materiality reassessment that identified 13 key material matters which were visualised in a materiality matrix.

Given their continued relevance to PCCS' current business landscape, these material matters and the corresponding matrix have been retained for FY2025. Our top five material matters are Occupational Health & Safety, Human Rights & Labour Standards, Regulatory Compliance, Corporate Governance and Anti-Corruption, and Customer Privacy & Data Protection.



Prioritising Ethical Business	Maintaining Environmental Responsibility	Fostering Social Stability
3 Regulatory Compliance 4 Corporate Governance and Anti-Corruption 10 Responsible Sourcing	7 Waste Management 9 Climate Change and Energy Consumption 12 Material Consumption 13 Water Consumption	1 Occupational Health and Safety 2 Human Rights and Labour Standards 5 Customer Privacy and Data Protection 6 Product Quality and Innovation 8 Diversity and Talent Management 11 Community Engagement

SUSTAINABILITY STATEMENT (CONT'D)

MEASURING PERFORMANCE TO DRIVE PROGRESS

PCCS established sustainability-focused Key Performance Indicators (“KPIs”) in FY2023 to provide a quantifiable measurement of our ESG performance. These metrics enable us to gauge the effectiveness of our initiatives and identify opportunities for improvement. In FY2025, we refined our KPIs to ensure their continued relevance to our long-term ESG ambitions and to further our sustainable development.

Material Matters	Subsidiary	KPIs	Progress in FY2025
Prioritising Ethical Business			
Regulatory Compliance	SGL & WHD	Zero substantiated non-compliance with applicable laws and regulations year-on-year*	Achieved zero substantiated non-compliance cases FY2024: zero non-compliance cases
Corporate Governance, Ethics and Integrity		To train at least 20% of employees on Anti-Bribery and Anti-Corruption (“ABAC”) Policy, Code of Conduct and Ethics and other relevant Group-wide policies and procedures year-on-year	42% of employees from SGL and 100% of employees from WHD attended training FY2024: >20% employees trained
Responsible Sourcing		At least 70% of expenditure spent on local suppliers	99% of expenditure allocated to local suppliers FY2024: 69% expenditure allocated
Maintaining Environmental Responsibility			
Climate Change and Energy Consumption	SGL	Achieve 100% electricity consumption from green energy*	Achieved 100% of electricity consumed from green energy FY2024: 100% green electricity
Water Consumption	SGL & WHD	To reduce water consumption intensity by <ul style="list-style-type: none">3% (Baseline FY2020: 0.00288 m³/pcs)1% (Baseline FY2020: 0.00464 m³/pcs)	SGL: Achieved 11% reduction WHD: Achieved 26% reduction FY2024: SGL – 0.00287 m³/pcs WHD – 0.00429 m³/pcs
Fostering Social Stability			
Occupational Health and Safety	SGL & WHD	Zero fatalities across the Group year-on-year	Zero fatalities recorded FY2024: zero fatalities recorded
Human Rights and Labour Standards		Zero cases of discrimination reported year-on-year	Zero cases of discrimination recorded FY2024: zero cases recorded
Customer Privacy and Data Protection		Zero cases of customer data mismanagement and breaches year-on-year	Zero cases of substantiated customer data mismanagement and breaches recorded FY2024: zero cases recorded
Talent Attraction and Retention		Achieve an average of 3 hours of training per employee year-on-year	Achieved 2.07 hours of training per employee FY2024: >3hours

Note: *: targets have been enhanced in FY2025

Legend: Achieved In Progress

SUSTAINABILITY STATEMENT (CONT'D)

OUR JOURNEY TOWARDS NET ZERO

Acknowledging the complex challenges and opportunities presented by climate change to the garment industry, PCCS is committed to strengthening our operational resilience and meeting evolving stakeholder expectations through enhanced climate-related disclosures.

Our climate reporting is aligned with the National Sustainability Reporting Framework (“**NSRF**”) and incorporates elements of the IFRS S2 to harmonise with international best practices. We have structured our disclosures around four key pillars: Governance, Strategy, Risk Management, and Metrics and Targets, to provide a clearer overview of our climate action initiatives.

Governance

Climate-related risks and opportunities are overseen by the Board, supported by the Executive Director and SWG in assessing and implementing climate-related strategies. During this reporting year, Board members participated in the Mandatory Accreditation Programme Part II: Leading for Impact (“**LIP**”), an initiative by the Securities Commission and Bursa Malaysia aimed at enhancing Boards’ capabilities in addressing sustainability risks and opportunities.

Board of Directors

- Provides strategic oversight over the implementation of sustainability strategies, initiatives and performance to ensure alignment with our strategic trajectory and long-term objectives, encompassing climate-related risks and opportunities
- Approves the adoption of policies addressing climate-related risk issues and annual performance targets pertinent to climate change, such as reduction targets for energy and water consumption
- Receive regular sustainability performance updates during annual Board meetings
- Ensures the integration of ESG and climate-related factors into the Group’s risk management

Management

- The Executive Director works with the Board to assess and manage these risks, ensuring that we maintain a proactive approach to sustainability governance
- The Executive Director oversees and manages the implementation of the Group’s strategies and initiatives, including climate-related risk

Strategy

Our climate-related risks can be categorised into transition risks and physical risks. The following table provides an overview of these identified risks, their potential impact on PCCS’ operations and value chain at the Group level, and the corresponding opportunities for mitigation and adaptation.

SUSTAINABILITY STATEMENT (CONT'D)

OUR JOURNEY TOWARDS NET ZERO (CONT'D)

Strategy (Cont'd)

Transition Risks

Type of Risks	Risk Description	Potential Impact	Potential Opportunities
Policy and Legal	<ul style="list-style-type: none"> Future implementation of carbon pricing mechanisms Regulations imposed in relation to future climate-related compliance 	<ul style="list-style-type: none"> New or increasing carbon taxes in the geographies where PCCS operates in and procures raw materials from can impact operating costs Potential incurred costs from penalties and fines from non-compliance with environmental regulations 	<ul style="list-style-type: none"> Investments in energy-efficient technologies can reduce the environmental footprint of our garment production and reduce the impact of carbon taxes Establishment of procedures to ensure compliance
Technology	<ul style="list-style-type: none"> Technology deployment for reducing emissions 	<ul style="list-style-type: none"> Upfront costs from investments in new technology and its implementation can be incurred 	<ul style="list-style-type: none"> Cost and resource savings upon the successful implementation of new low-carbon production
Market	<ul style="list-style-type: none"> Shift in customer purchasing patterns 	<ul style="list-style-type: none"> Increased demand for low carbon, sustainable products could affect demand for products and subsequently impact revenue 	<ul style="list-style-type: none"> Development of circular business models that reduce the Group's climate impact
Supply Chain	<ul style="list-style-type: none"> Suppliers failing to align with sustainability goals or adapt to evolving environmental standards and customer request 	<ul style="list-style-type: none"> Dependence on non-compliant suppliers may increase the risk of disruptions on raw materials, causing delays and potential quality issues 	<ul style="list-style-type: none"> Conduct ESG assessments to strengthen supply chain resilience, enhance brand reputation and attract sustainability-conscious customers

SUSTAINABILITY STATEMENT (CONT'D)

OUR JOURNEY TOWARDS NET ZERO (CONT'D)

Strategy (Cont'd)

Physical Risks

Type of Risks	Risk Description	Potential Impact	Potential Opportunities
Acute	<ul style="list-style-type: none"> Potential water scarcity or extreme weather events that influence production and logistics 	<ul style="list-style-type: none"> Disruptions to production and product distribution arising from transportation difficulties and supply chain interruption may lead to reduced revenue 	<ul style="list-style-type: none"> Opportunities to innovate and adopt technology, materials and processes that withstand acute climate-related events
Chronic	<ul style="list-style-type: none"> Changes in precipitation patterns, weather variability, rising temperatures and sea level increases 	<ul style="list-style-type: none"> Long-term climate-related impacts may lead to costly infrastructure upgrades, increased maintenance expenses, and higher insurance premiums 	<ul style="list-style-type: none"> Opportunities for the early adoption of innovative technologies and climate-resilient designs

Risk Management

Our internal Risk Management System incorporates regular risk assessments to identify, evaluate, and manage emerging sustainability and climate-related risks, enabling us to mitigate potential threats while positioning the business to seize sustainability-related opportunities.

Potential climate risks are assessed by each risk owner based on their likelihood and impact, ensuring that these risks are fully integrated into strategic decision-making and operational planning.

Metrics and Targets

We disclosed the following climate-related metrics, particularly those integral to business operations, to better evaluate and address climate-related risks and opportunities.

Metric	Unit	Description
GHG Emissions	tCO ₂ e	Quantifies Scope 1, 2, and 3 (limited to business travel and employee commute) GHG emissions
Energy Usage	GJ	Track total fuel and electricity consumption
Waste	MT	Measure total amount of waste generated
Water Usage	ML	Measures total water consumption

SUSTAINABILITY STATEMENT (CONT'D)

PRIORITISING ETHICAL BUSINESS

Governance founded on integrity and accountability is a core aspect of PCCS' sustainable business growth. We uphold ethical conduct through implementing stringent anti-corruption policies and proactive internal reviews that ensure ongoing compliance with all applicable laws and regulations.

Material Sustainability Matters

- Regulatory Compliance
- Corporate Governance, Ethics and Integrity
- Responsible Sourcing

Key Stakeholder Groups:



Alignment with the UN SDGs



SUSTAINABILITY STATEMENT (CONT'D)

PRIORITISING ETHICAL BUSINESS (CONT'D)

Regulatory Compliance

Maintaining regulatory compliance promotes a high standard of ethical conduct within PCCS' garment manufacturing operations, demonstrating our business reliability and garnering stakeholder trust. Stringent regulatory compliance also serves to reduce reputational risks and improve workplace efficiency.

The Group is compliant with Bursa Malaysia's MMLR alongside the following national laws and regulations governing our operations across China and Cambodia.

SGL	WHD & BSSL
<ul style="list-style-type: none"> Company Law 2018 Employment and Labour Law 2020 Environmental Protection Law of the People's Republic of China 2018 	<ul style="list-style-type: none"> Law on Commercial Enterprises 2005 Labour Law 1997 and its amendments in 2021 Law on Environmental Protection and Natural Resources Management 1996



We continue to adhere to these regional requirements through implementing the following internal control and monitoring systems.

SGL	<ul style="list-style-type: none"> Conducted internal and external audits to assess regulatory compliance and the efficiency of existing procedures Released frequent memoranda to inform employees of any regulatory amendments
WHD & BSSL	<ul style="list-style-type: none"> Implemented a Compliance Management System that facilitates effective internal and external audits Collaborated with Better Factories Cambodia ("BFC"), a joint initiative by the International Labour Organisation ("ILO") and International Finance Corporation ("IFC"), to promote ethical labour practices and human rights in accordance with national laws and international standards Collaborated with Textile, Apparel, Footwear & Travel Goods Association ("TAFTAC") in Cambodia to enhance awareness of evolving legal and regulatory requirements within the garment sector Representatives from the Human Resources department participated in a training programme conducted by the Ministry of Labour and Vocational Training, gaining practical knowledge of Cambodian Labour Law and Occupational Safety and Health standards

SUSTAINABILITY STATEMENT (CONT'D)

PRIORITISING ETHICAL BUSINESS (CONT'D)

Corporate Governance and Anti-Corruption

Strong leadership and ethical practices underpin our high standards of corporate governance. We embed stringent governance policies and procedures, such as anti-corruption measures, across PCCS to promote transparency and operational integrity. These are subject to periodic evaluation and improvements to ensure their ongoing effectiveness.

PCCS' Board of Directors and Senior Management are guided by a suite of codes that drive ethical conduct and effective governance across the Group.



To read more about the Group's Corporate Governance related policies, please visit our corporate website at <https://www.pccsgroup.net/lists/48.html>.

Our employees are guided by the following policies to remain aligned with our strategic and business objectives.

Code of Conduct and Ethics ("the Code")	Outlines the standards of ethical conduct and core values expected from employees, management, and directors. It is integrated into the induction process to guide new hires and further communicated through the employee handbook, noticeboards, the company intranet, and the corporate website.
Anti-Bribery and Anti-Corruption ("ABAC") Policy	Establishes our zero-tolerance stance toward bribery and corruption, ensuring adherence to legal and ethical standards in compliance with applicable laws and regulations across all countries of operation. The Policy is disseminated through the employee handbook, corporate website and anti-bribery training.
Whistle Blowing Policy	Provides a confidential platform designed to protect whistleblowers from retaliation. Employees and members of the public are encouraged to report any misconduct or ethical violations within the Group through this secure channel.

In FY2025, 42% of employees from SGL and 100% of employees from WHD participated in anti-corruption training. At SGL, anti-corruption training is incorporated into the induction programme for all new employees. Currently, BSSL has yet to implement anti-corruption training and will evaluate the necessity of such training in subsequent years.

SUSTAINABILITY STATEMENT (CONT'D)

PRIORITISING ETHICAL BUSINESS (CONT'D)

Corporate Governance and Anti-Corruption (Cont'd)

Percentage of Employees Who Have Received Anti-Corruption Training				
Entity	Employee Category	FY2023	FY2024	FY2025
SGL	Senior Management	0%	0%	0%
	Management	0%	0%	0%
	Executive	5%	6%	0%
	Non-Executive	27%	18%	42%
WHD	Senior Management	100%	100%	100%
	Management	100%	100%	100%
	Executive	100%	100%	100%
	Non-Executive	100%	100%	100%

While corruption risk assessments have not been conducted at our operational sites at present, we are considering integrating such assessments into our risk management plan in the future to reinforce PCCS' anti-corruption initiatives.

Responsible Sourcing

Responsible sourcing and ethical procurement are fundamental to our garment manufacturing operations. We engage with local suppliers aligned with our ESG values to strengthen supply chain resilience and manufacture products that consistently meet high standards of quality and sustainability.

At WHD and BSSL, we encourage our suppliers to utilise the Higg Facility Social and Labor Module ("Higg FSLM") to assess their social and labour conditions and Higg FEM to evaluate their environmental performance. These assessments facilitate a more complete understanding of the environmental and social performance within our supply chain, ensuring we engage with suppliers aligned with our sustainability ambitions and promotes greater transparency.

Higg FSLM Performance Assessment Areas

				
Recruitment Process	Working Hours	Health and Safety	Wages and Benefits	Worker Rights



Zero
substantiated cases of anti-corruption and whistleblowing recorded



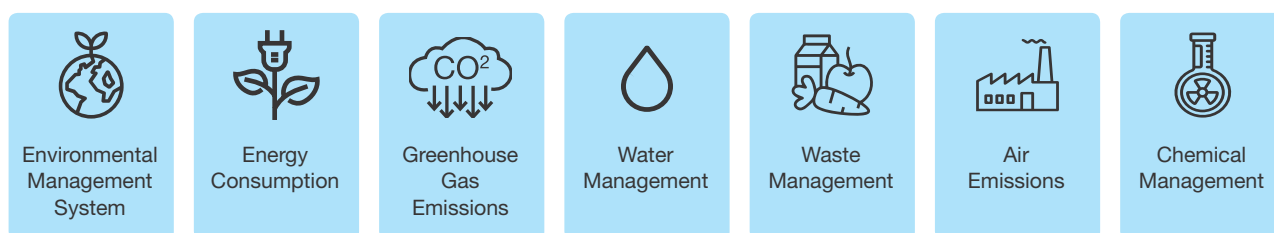
Higg FSLM and Higg FEM was developed by the Sustainable Apparel Coalition, a global multi-stakeholder alliance of brands, retailers, manufacturers, NGOs, academic institutions, and government organisations.

SUSTAINABILITY STATEMENT (CONT'D)

PRIORITISING ETHICAL BUSINESS (CONT'D)

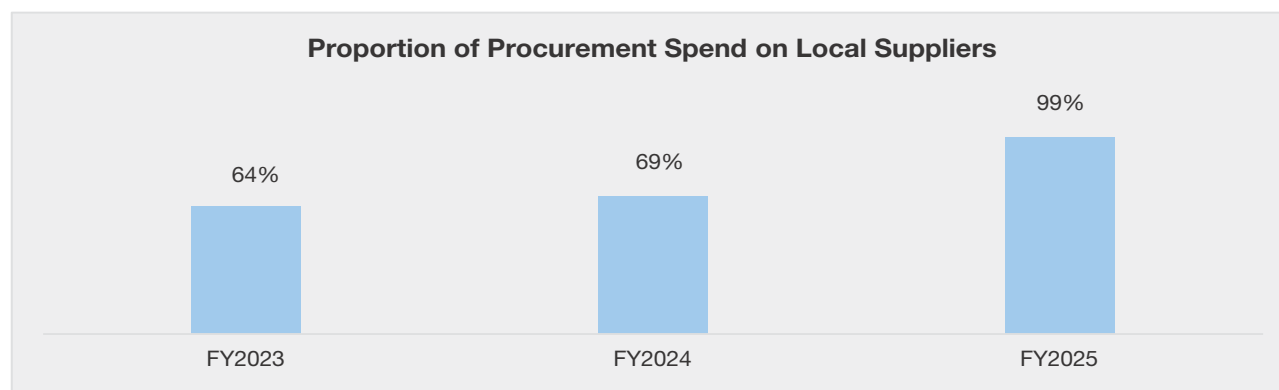
Responsible Sourcing (Cont'd)

Higg FEM Performance Assessment Areas



Local Procurement

PCCS prioritises procurement from local suppliers to support socio-economic development within the communities in which we operate, streamline material delivery timelines, and mitigate procurement-related environmental impacts.



Note:

1. The conversion of procurement from CNY to MYR for SGL used the exchange rate provided by Bank Negara Malaysia at the end of the financial year as follows: FY2023 (0.654), FY2024 (0.648), FY2025 (0.604)
2. The conversion of procurement from USD to MYR for WHD and BSSL used the exchange rate provided by Bank Negara Malaysia at the end of the financial years as follows: FY2023 (4.56), FY2024 (4.74), FY2025 (4.46)
3. Data for BSSL is only applicable for FY2025.

Supplier ESG Assessment

In FY2025, 77% of our newly engaged suppliers for WHD were assessed for their environmental impacts. We also achieved a 43% assessment rate of existing suppliers for social impacts, verified through the Higg platform, marking a 96% increase compared to the previous year.

WHD	FY2023	FY2024	FY2025
Number of suppliers assessed for environmental impacts	3	0	41
Number of suppliers assessed for social impacts	5	2	23

SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY

Recognising that our garment production operations are dependent on finite resources, PCCS drives positive environmental impact through implementing sustainable practices. We enforce initiatives such as resource optimisation and effective waste management to reduce our environmental footprint and reinforce the Group's operational resilience.

Material Sustainability Matters

- Climate Change and Energy Consumption
- Material Consumption
- Waste Management
- Water Consumption

Key Stakeholder Groups:



Alignment with the UN SDGs



SUSTAINABILITY STATEMENT (CONT'D)

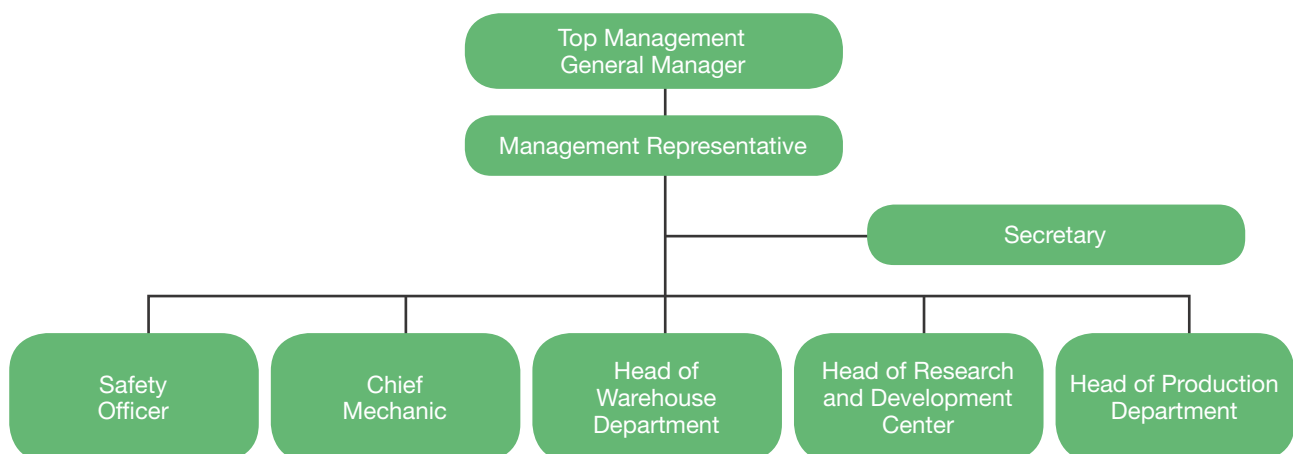
MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Climate Change and Energy Consumption

The Group implemented energy policies at SGL, WHD and BSSL aimed at reducing our carbon footprint and enhancing climate resilience. These policies set long-term reduction targets and energy performance objectives, and are periodically reviewed to remain relevant amid evolving operational conditions and aligned with our sustainability principles.

At SGL, the Energy Management Committee drives the implementation of our Energy Policy by integrating energy efficiency initiatives into daily operations. Chaired by a General Manager who oversees and coordinates efforts across all departments, the Committee aligns employees with SGL's energy efficiency goals, fostering a unified approach to achieving our performance targets.

SGL Energy Management Organisation Chart



Roles	Responsibilities
General Manager	<ul style="list-style-type: none"> Implements national, provincial, municipal, and district energy-saving policies, laws, and regulations Oversees and manages daily energy management operations Leads the development of the SGL's overall energy-saving plan Stays up-to-date with new energy management developments and identifies opportunities for innovation
Heads of Departments	<ul style="list-style-type: none"> Implements national, provincial, municipal, and district energy-saving policies, laws, and regulations Collaborates with the energy management general manager to develop and implement energy-saving plans Provides regular reports and develops effective energy-saving implementation plans Remains up-to-date with the latest developments in energy management Develops and organises energy-saving training programmes for employees Supervises and inspects energy-saving plans and their implementation across workshops
Committee	<ul style="list-style-type: none"> Enforces energy-saving policies and regulations at all government levels Collaborates with the energy management leader to implement daily energy-saving operations Develops and executes the HOD's energy-saving plans in alignment with SGL's energy-saving goals

SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Climate Change and Energy Consumption (Cont'd)

Energy Saving Measures

The Group implemented several energy-saving initiatives to reduce overall consumption and promote energy conservation.

SGL

- Entered into Solar and Wind Power Purchase Agreements (“PPAs”) and installed photovoltaic (“PV”) power generation systems, advancing SGL’s transition toward renewable electricity
- Established a new KPI, “Achieving 100% electricity consumption from green energy,” reaffirming our commitment to a clean energy transition

WHD

- Replaced conventional lighting with energy-efficient LED fixtures across facilities
- Expanded the installation of solar-powered streetlights within the premises
- Enforced the shutdown of non-essential lighting and machinery during lunch breaks to minimise energy wastage
- Conducted regular maintenance of servo motors to maintain optimal energy-efficient performance
- Upgraded air conditioning systems to inverter models, reducing electricity consumption

BSSL

- Adopted the practice of switching off non-essential lighting and machinery during non-operational hours
- Upgraded air conditioners to inverter models for improved energy efficiency
- Provided targeted training for employees on energy reduction, including best practices for operating and shutting down the printing oven
- Optimised logistics by consolidating customer deliveries along common routes to reduce fuel consumption

Climate Change Awareness Programme

In FY2025, WHD advanced its climate action efforts by participating in the Supplier Leadership on Climate Transition (“LOCT”) programme. This initiative equips organisations with the knowledge to measure their Scope 1, 2, and 3 emissions and set reduction targets aligned with the Science Based Targets initiative (“SBTi”) and the GHG Protocol. Building on last year’s participation in the Scope 1 and 2 courses, two employees completed the Scope 3 course in FY2025, marking their successful completion of all LOCT modules.

Energy Consumption

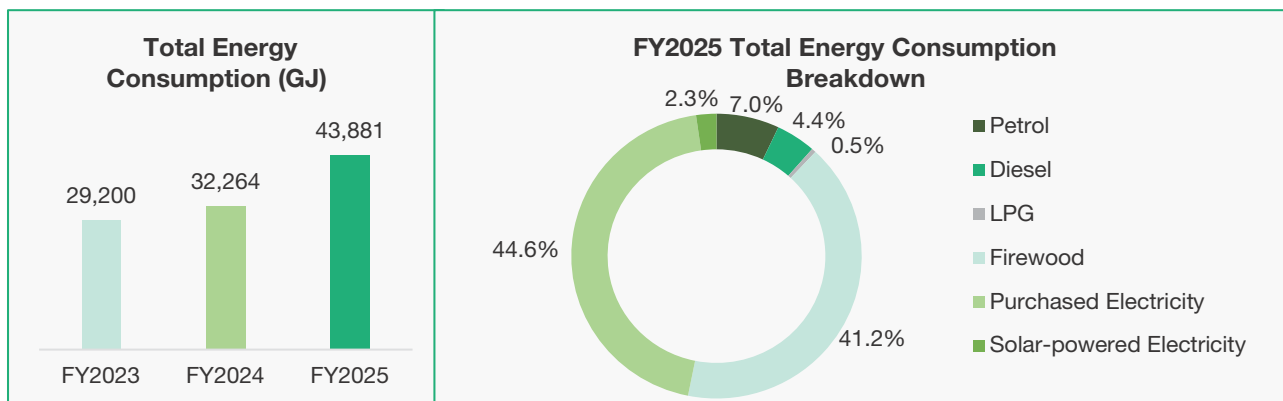
Our total energy consumption for FY2025 amounted to 43,881 GJ, with an energy intensity of 0.0011 tCO₂e per garment, representing a 36% increase of energy consumption compared to the previous year. The increase is primarily due to our expanded reporting scope which now includes energy consumption data from the corporate office and BSSL.

SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Climate Change and Energy Consumption (Cont'd)

Energy Consumption (Cont'd)

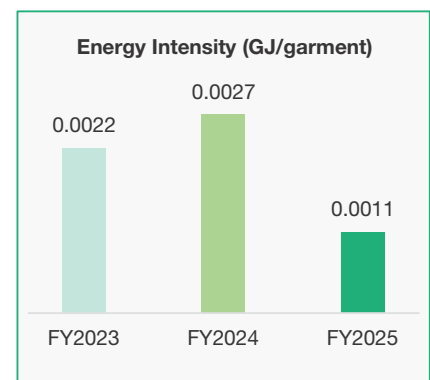


Note:

1. Energy consumption data for FY2023 and FY2024 have been restated and recalculated by using the conversion factor sourced from the UK Government for 2022 and 2023.
2. Total energy consumption data in MWh is disclosed in the ESG Performance Data Table.

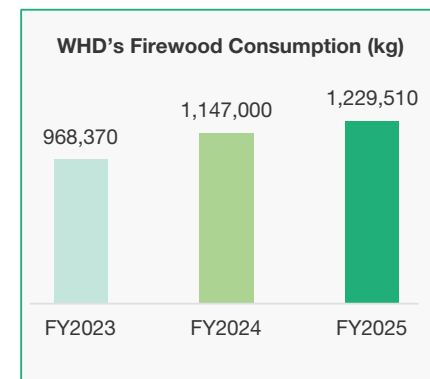
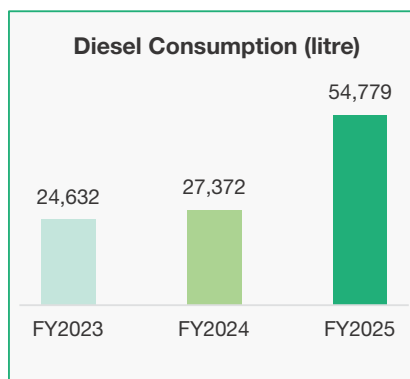
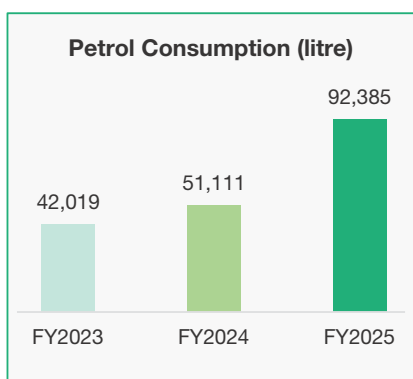
Energy Intensity

Our total energy intensity decreased by 59% compared to the previous year, primarily due to a substantial increase in production volume following the inclusion of BSSL within our reporting scope in FY2025. Furthermore, BSSL's upgraded manufacturing machinery improved its operational efficiency, further contributing to the reduction in energy intensity.



Fuel Consumption

The Group's fuel consumption data encompasses petrol, diesel and firewood utilised in WHD's operations. This year, we also included liquefied petroleum gas ("LPG") from BSSL, with a recorded usage of 8,679 litres.



SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

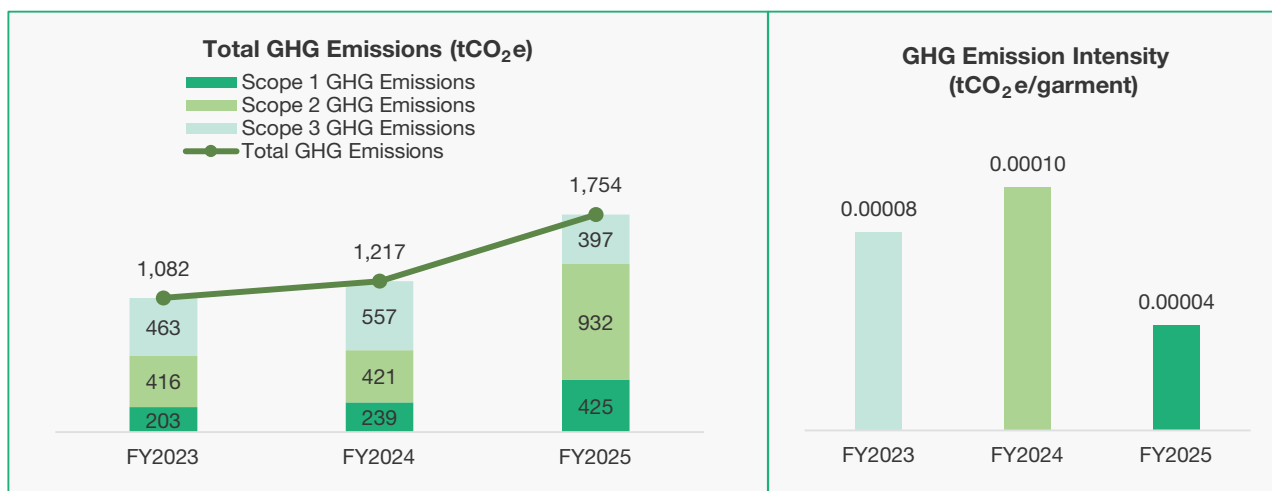
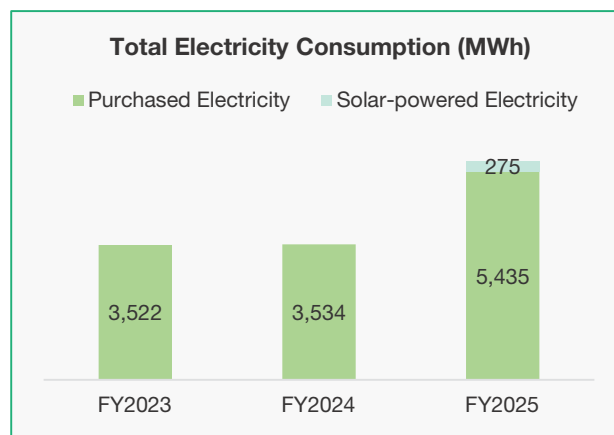
Climate Change and Energy Consumption (Cont'd)

Electricity Consumption

In FY2025, our total electricity consumption amounted to 5,710 MWh. The majority of this electricity was sourced from the electrical grid across our operating regions, with 4.8% derived from solar-powered electricity.

GHG Emissions

In FY2025, the Group's total GHG emissions amounted to 1,754 tCO₂e, with 53% derived from Scope 2 emissions. The embodied carbon per garment was recorded at 0.00004 tCO₂e.

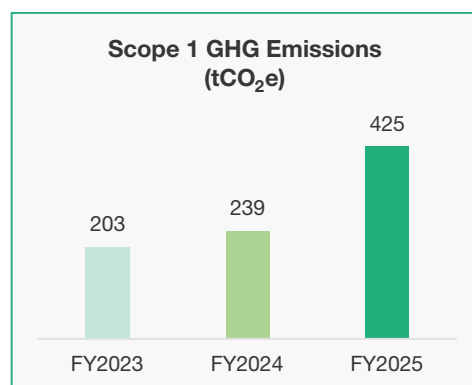


Notes:

- Scope 1 and Scope 3 emissions were calculated using the emission factors sourced from the UK Government's GHG Conversion Factor 2022, 2023 and 2024.
- Scope 2 emissions were calculated using the 2022 Grid Emission Factor sourced from the National Energy Commission of Malaysia for Corporate Office, China Regional Grid Emission of the Ministry of Ecology in 2021 for SGL and Grid Emission Factors of Cambodia in 2016 for WHD and BSSL.
- GHG emissions data have been restated to reflect a more accurate GHG emission factor for FY2023 and FY2024.

Scope 1 GHG Emissions

Scope 1 GHG emissions comprise the consumption of petrol and diesel in company-owned vehicles and generators, as well as the use of LPG and firewood for operational activities. Total Scope 1 emissions for FY2025 amounted to 425 tCO₂e.



SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

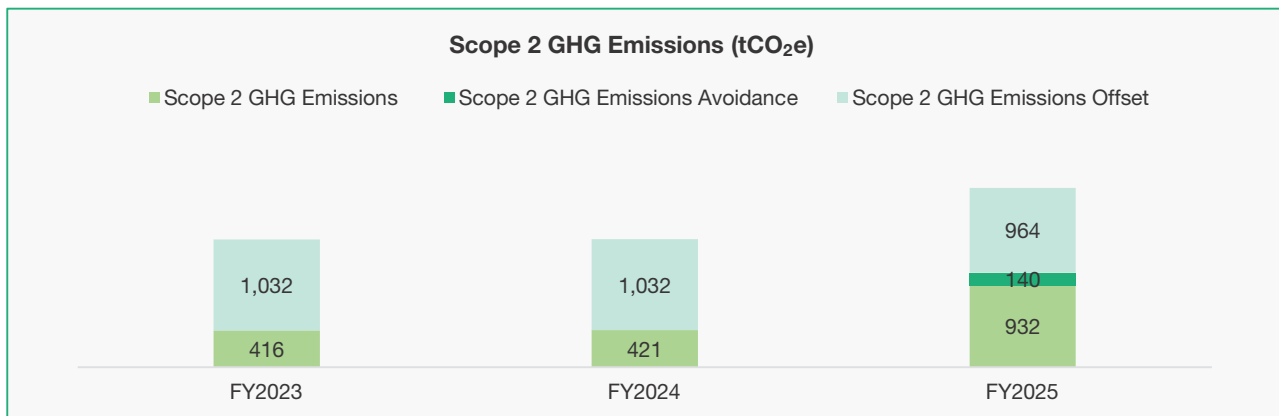
Climate Change and Energy Consumption (Cont'd)

Scope 2 GHG Emissions

Scope 2 GHG emissions from the consumption of grid electricity totalled 932 tCO₂e in FY2025. The integration of solar energy at SGL and WHD operations enabled the avoidance of 140 tCO₂e. Additionally, SGL's continued procurement of International Renewable Energy Certificates ("I-RECs"), representing green energy from onshore wind farms in China, and the extension to PPAs with solar and wind farms, enabled the offset of a further 964 tCO₂e.



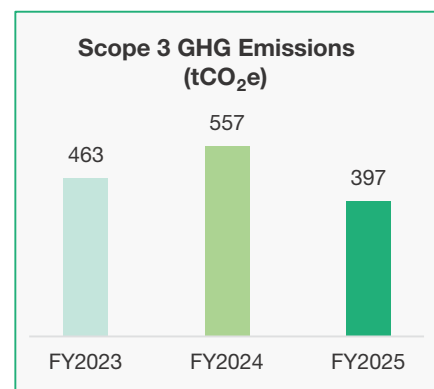
SGL achieved the target of 100% electricity consumption from green energy



Scope 3 GHG Emissions

During the reporting period, Scope 3 GHG emissions from employee commute and business travel (land and air) amounted to 397 tCO₂e across the Group.

Note: Scope 3 Emissions from employee commute for Corporate Office and emissions from business land travel for WHD has been excluded in this reporting year, as WHD utilises its vehicle fleet for business travel.



SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Water Consumption

Given the inherently water-intensive nature of our garment manufacturing processes, particularly during the dyeing, bleaching and washing stages, PCCS implemented efficient water management measures across our operations to minimise our impact on this vital resource.

WHD

We further reinforced water conservation at WHD through the implementation of targeted conservation initiatives.

WHD's Water Conservation Initiatives

- Expanded rainwater harvesting capacity from 85 m³ to 105 m³ in FY2025 to reduce reliance on municipal water sources
- Conducted routine inspections for leaks and plumbing malfunctions, and carried out necessary repairs to minimise water wastage
- Installed self-closing faucets at handwashing stations and fitted toilet fixtures with automatic shut-off devices
- Reused water in the facility's cooling pad system
- Installed signages to raise employee awareness of water conservation

Additionally, WHD actively raised employee awareness on water conservation through continuous initiatives that engaged staff and encouraged responsible water use in daily operations.



Refresher training sessions are conducted on a quarterly basis to reinforce responsible water usage across operations.



Water conservation practices are incorporated into the new employee orientation programme as part of their induction.



Informative posters are displayed throughout the facility to foster a culture of water stewardship within the organisation.

SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Water Consumption (Cont'd)

BSSL

We implemented several water-saving initiatives in FY2025 to reduce water consumption.

1.

Utilised treated water recycled from the wastewater treatment plant for toilet flushing and cleaning activities at the production site, including the washing of screen frames.

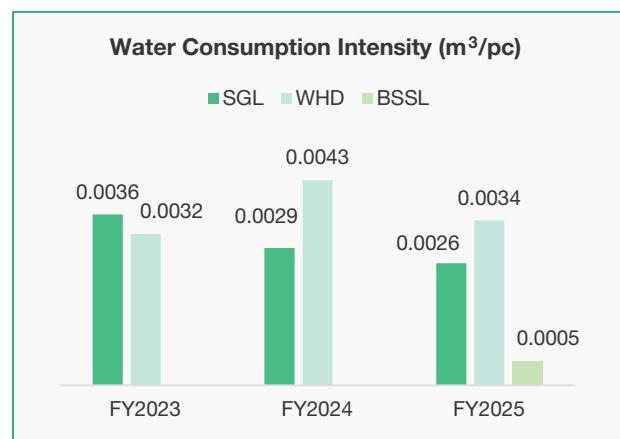
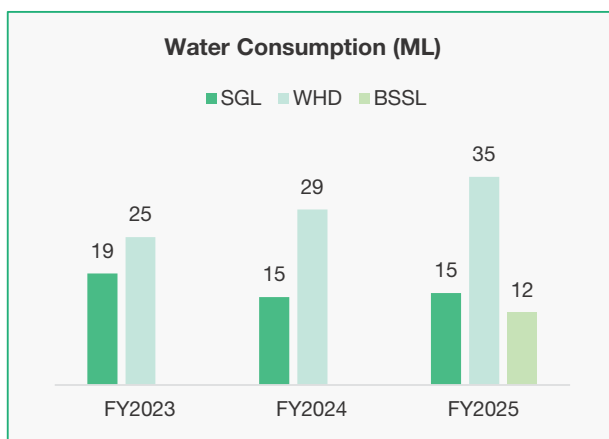


2.

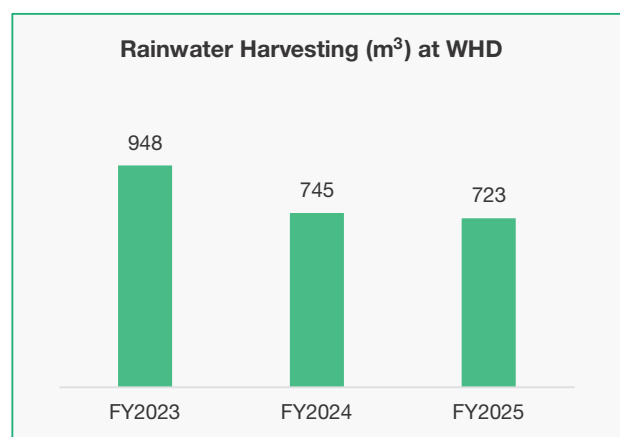
Displayed informative posters to raise employee awareness on water conservation.



In FY2025, the Group's total water consumption amounted to 62 ML, representing a 42% increase from FY2024. This rise is partly attributable to the inclusion of BSSL's data. WHD accounted for 56% of total consumption, consistent with the scale of its operations.



WHD's rainwater harvesting efforts resulted in the accumulation of 723 m³ in FY2025. This represents a 3% reduction compared to FY2024, primarily due to lower rainfall during the collection period.



SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Water Consumption (Cont'd)

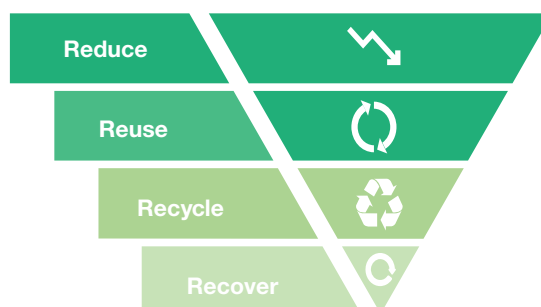
Performance Against Our Water Consumption Intensity Reduction Target

	Water Consumption Intensity in FY2025	Target	Baseline	Progress / Status
SGL	0.0026 m ³ /pc	Reduce our water consumption intensity by 3% against our baseline year, FY2020	0.00288 m ³ /pc	Achieved an 11% reduction in FY2025 against our FY2020 baseline
WHD	0.0034 m ³ /pc	Reduce our water consumption intensity by 1% against our baseline year, FY2020	0.00464 m ³ /pc	Achieved a 26% reduction in FY2025 against our FY2020 baseline

Waste Management

Our garment manufacturing operations generate operational waste through the use of various materials and chemicals, requiring careful and responsible management. Hence, PCCS is committed to responsible waste management, adopting the 4R (Recycle, Reuse, Reduce, Recover) principles within our operations to curb waste generation and promote circularity within our value chain.

In FY2025, both WHD and BSSL continued to strengthen their waste management practices through a series of initiatives designed to improve operational efficiency.



Engaged with licensed hazardous waste contractors to ensure the safe and compliant disposal of hazardous waste.



Implemented a waste sorting system to enhance waste segregation within the operation.



Collaborated with licensed recycling contractors for the collection and processing of recyclable waste materials.



Reused A4 paper to reduce paper waste generation.



Conducted regular employee training sessions to promote awareness and strengthen proper waste segregation practices across facilities.

SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Waste Management (Cont'd)

WHD participated in the Deutsche Gesellschaft für Internationale Zusammenarbeit (“GIZ”) Textile Waste Improvement Programme which focused on the segregation and recycling of fabric waste, contributing to the reduction of textile waste in Cambodia. In alignment with our zero-waste ambition, WHD established a zero-landfill target for industrial waste, effective from October 2024. The target aims to reducing environmental pollution and support WHD’s transition towards a circular economy.

Hazardous Waste

Hazardous wastes generated by our facilities are collected and disposed of in full compliance with the national environmental protection regulations of our operating countries.

Current efforts towards a zero-landfill target

All recyclable waste including both non-hazardous and hazardous materials such as plastics, food waste, and electronic waste is sent for recycling. In addition, general production waste, chemical cans, and boiler ash are collected by our licensed waste management provider for energy recovery purposes.

Environmental Protection Laws



Environmental Protection Law of the People's Republic of China 2014

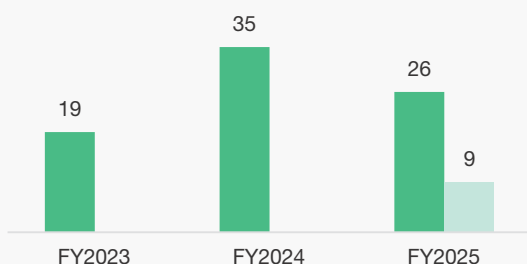


Law on Environmental Protection of Natural Resource Management

PCCS generated hazardous waste such as e-waste, boiler ash, machinery equipment, sludge, unused chemicals and used chemical containers across our operations. In FY2025, we diverted 74% of our hazardous waste from landfills through licensed recycling and recovery initiatives, with the remaining 26% safely disposed of at approved landfills in compliance with national environmental protection regulations. We are pleased to report SGL did not generate any hazardous waste during the reporting period.

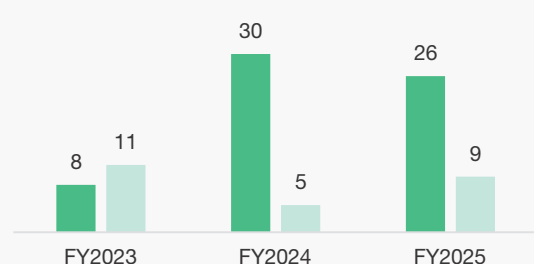
Total Hazardous Waste Generated (tonnes)

■ WHD ■ BSSL



Hazardous Waste Disposal (tonnes)

■ Waste Diverted from Landfill
■ Waste Directed to Landfill



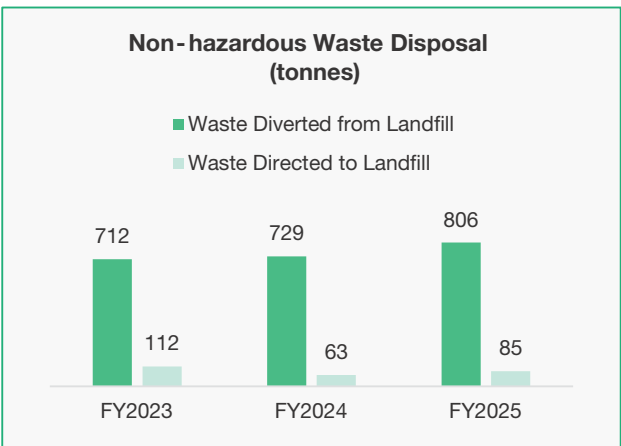
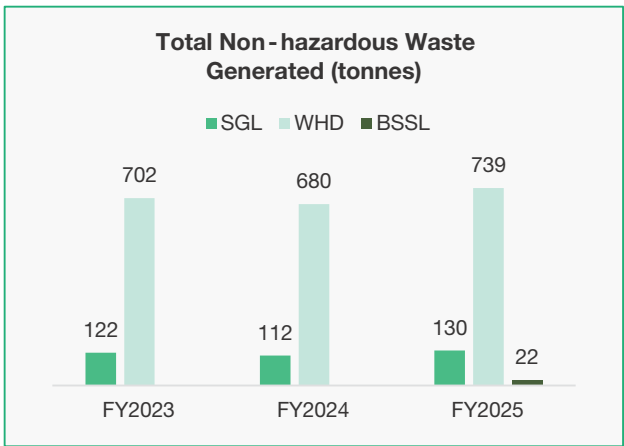
SUSTAINABILITY STATEMENT
(CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

Waste Management (Cont'd)

Non-hazardous Waste

Our non-hazardous waste streams primarily consist of carton paper, leftover fabric cut pieces, general rubbish and plastics generated from garment manufacturing processes. In FY2025, the Group's non-hazardous waste generation increased by 13% compared to FY2024. We are pleased to report that 90% of the total non-hazardous waste was successfully recycled or diverted from landfill through our ongoing collaboration with licensed recycling contractors. The remaining 10% of non-hazardous waste was sent to landfill.



Effluent

At BSSL, wastewater generated from operations is treated by an on-site Effluent Treatment Plant (“ETP”) to ensure safe discharge in accordance with regulatory standards. Effluent quality testing is conducted annually by the Ministry of Environment and biannually by Bureau Veritas in adherence to the Higg FEM Verification Standard.

In FY2025, BSSL discharged a total of 0.397 ML of wastewater, of which 0.328 ML was repurposed for non-potable uses, such as toilet cleaning, supporting our efforts to reduce freshwater consumption and promote water reuse within operations.



82% of treated water was reused and recycled for non-potable use

SUSTAINABILITY STATEMENT (CONT'D)

MAINTAINING ENVIRONMENTAL RESPONSIBILITY (CONT'D)

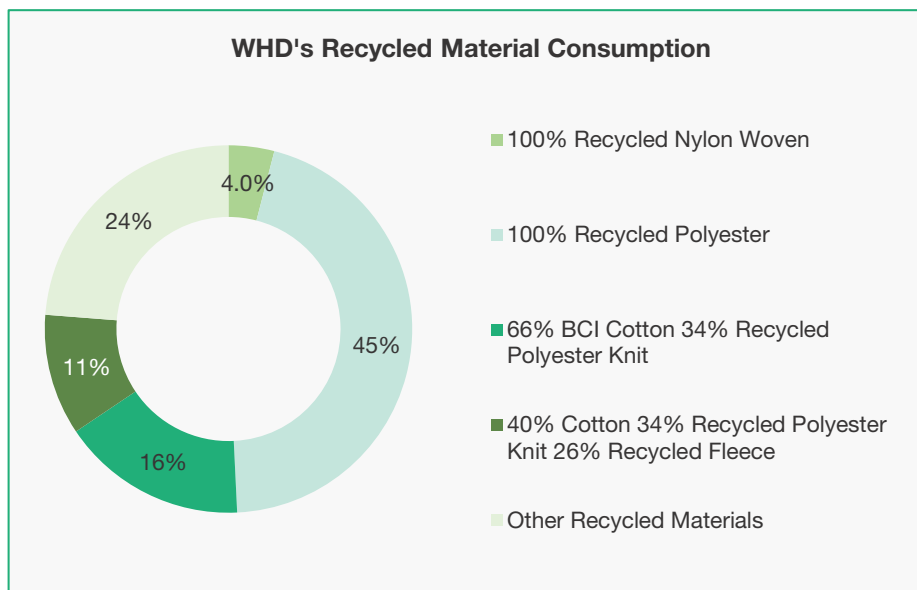
Material Consumption

Responsible material consumption is integral to our sustainable production strategy as a garment manufacturer, and we prioritise the utilisation of sustainable materials in our products.

WHD maintained the upgraded marker design system introduced in FY2024 to optimise material consumption and reduce fabric waste. In FY2025, 86% of WHD's material consumption was sourced from recycled materials, with the remaining 14% comprising non-recycled materials.

Material Used (Yards)	FY2023	FY2024	FY2025
Recycled Material	812,787	49,016,483	11,986,653
Non-recycled Material	0	5,548,862	1,998,622

100% Recycled Polyester Knit represented 45% of the total recycled material consumed, reflecting our continued efforts to contribute to the circular economy.



SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY

Social responsibility is a core element of our corporate culture, shaping our approach to garment manufacturing. Our advocacy of human rights for all individuals is reflected in our robust workplace health and safety standards and our commitment to fostering an inclusive work environment. Beyond our operations, we support local communities by promoting growth and enhancing overall quality of life.

Material Sustainability Matters

- Occupational Health and Safety
- Human Rights and Labour Standards
- Diversity and Talent Management
- Product Quality and Innovation
- Customer Privacy and Data Protection
- Community Engagement

Key Stakeholder Groups:



Alignment with the UN SDGs



SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Occupational Health and Safety

PCCS actively manages Occupational Health and Safety (“OHS”) operational risks such as machinery use and chemical handling, safeguarding employee well-being and ensuring uninterrupted operations. The Group maintains stringent workplace safety standards through strict compliance with the relevant laws and regulations in the countries we operate in.



Occupational Safety and Health
Act 1997



Work Safety Law of the People's
Republic of China (2019
Amendment)



Health and Safety of Workers –
Labour Law (2021 Amendment)

SGL, WHD and BSSL established OHS Committees led by appointed chairpersons and supported by safety officers and employee representatives. These committees convene bimonthly to address workplace safety issues with the following measures, ensuring a safe and healthy working environment across the Group.



Develop OHS
Guidelines and
Procedures



Conduct Health
Protection Facility
Inspection



Raise Awareness
about OHS Issues in
workplace

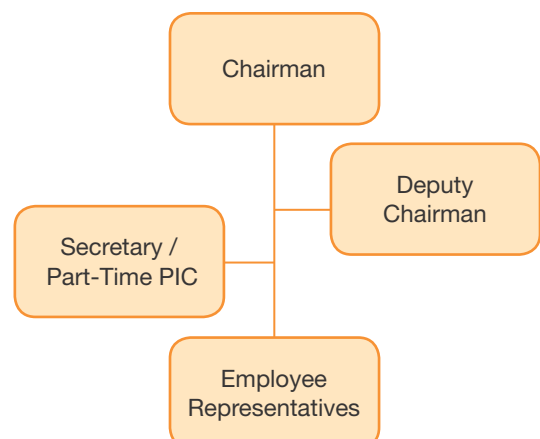


Provide Personal
Protective Equipment
("PPE")

Our OHS Committees are further supported by an OHS management system that facilitates systematic hazard identification and risk assessment across all operations. This system enables the Committees to proactively address high-risk areas and implement tailored mitigation measures.

Workplace risk assessments are conducted regularly by the Health Assessment Team, which documents, categorises, and assesses identified hazards based on their likelihood and potential impact. These findings are then recorded in centralised risk registers maintained at each business operation.

OHS Committee Structure



SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Occupational Health and Safety (Cont'd)

SGL

The Administrative Department manages workplace health and safety risks by conducting annual risk assessments, complemented by periodic evaluations to identify and mitigate potential risks such as occupational diseases and hazards.

In the event of a workplace incident, we ensure timely reporting and thorough investigations to determine root causes and implement the necessary corrective actions.

WHD

OHS policies and procedures are embedded throughout all stages of our manufacturing operations to consistently implement and enforce workplace safety practices. WHD also undergoes regular assessments by external bodies, including Better Work, the Ministry of Labour of Cambodia and regulatory OHS audits to confirm continued compliance with the relevant safety standards.

Our internal Health, Safety and Environment (“HSE”) Committee monitors workplace conditions, conducts routine inspections and implements corrective action plans where necessary.

SGL's Key OHS Risks

- Accident and Incident Reporting
- Emergency Response Plans
- Hazardous Material Management
- Safety Audits
- Monitoring & Detection of Disease and Safety Hazards
- Occupational Health Conditions
- Proper Waste Disposal
- Emergency Rescue Plans
- Fire Prevention
- Healthcare and Hygiene
- Heatstroke Prevention
- Noise Control
- OHS Discipline Programme

WHD's OHS Policies and Procedures

- Health, Safety and Environment Policy
- Machines Safety Guard Policy
- Chemical Storage and Handling Procedure
- Fire Fighting Procedure
- First Aid Replacement Procedure
- Accident Investigation Procedure
- Electricity Safety Inspection Policy and Procedure
- Noise and Light Control Procedure
- Handling Glass and Hard Clear Plastic Breakages Cleaning Procedure
- Personal Protective Equipment Management Procedure
- Work Instruction for Using Forklift
- Workplace Housekeeping Policy and Procedure
- Policy on Safe Drinking Water

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Occupational Health and Safety (Cont'd)

BSSL

BSSL's Health, Safety, and Environment ("HSE") Policy outlines our commitment to develop a safe and healthy workplace while minimising our environmental footprint. The policy focuses on several key priorities.

Encourage active employee participation in accident prevention programmes

Ensure HSE considerations are integrated into all aspects of our operations

Provide regular safety training and education for the employees

Control pollution within our premises to support environmental conservation efforts

Maintain full compliance with all applicable legal and regulatory requirements

We implemented 29 supporting policies and procedures that guide various aspects of workplace safety and environmental management across BSSL's operations. Examples of these include Emergency Preparedness and Response, Accident Investigation and Risk Assessment, Chemical Handling, and the Safe Use of Rail Ladders. These guidelines provide employees with clear direction to uphold HSE practices throughout our operations.

In FY2025, SGL and BSSL recorded zero work-related injuries, while WHD documented four cases. Across the Group, there were no work-related fatalities or illnesses recorded.

HSE Performance	FY2023	FY2024	FY2025
Total number of hours worked	6,371,301	5,447,496	6,657,265
Total number of lost-time injuries	3	3	4
Total number of fatalities as a result of work-related injuries or ill health	0	0	0
Lost time incident rate ("LTIR")	0.09	0.11	0.12

Note: LTIR is calculated according to the Bursa Sustainability Reporting Guidelines (3rd Edition), based on 200,000 hours worked per year.

Health and Safety Training

Our employees are informed of the latest OHS standards and best practices through a range of health and safety training topics:

Fire Drill and Fire Safety

Chemical Handling and Spillage Management

Basic Knowledge on Safe Production and Operation Skills

Training for Pregnant Workers on Health, Food Hygiene

Food Safety and Sanitation

Accident Reporting, Investigation and Handling

HIV/AIDS Awareness

Equipment and Machineries Operations

Emergency Rescue and First Aid

Height and Hot Work Permits

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Occupational Health and Safety (Cont'd)

Health and Safety Training (Cont'd)

In FY2025, the Group conducted a total of 43 health and safety training programmes, attended by 9,871 employees across our operations.



SGL - Fire Drill Training



SGL - Fire Safety Training



WHD - Chemical Management Training



WHD - PPE Training



BSSL - HIV/AIDS Awareness Campaign



BSSL - First Aid Training

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Occupational Health and Safety (Cont'd)

Health and Safety Training (Cont'd)

Number of Employees Trained on Health and Safety Standards			
Subsidiary	FY2023	FY2024	FY2025
SGL	483	432	476
WHD	82	89	8,914
BSSL	N/A	N/A	481

Note: BSSL has commenced the disclosure of health and safety training data from FY2025 onwards. Data for FY2023 and FY2024 is not available.

Human Rights and Labour Standards

PCCS respects the fundamental human rights of our employees, cultivating an inclusive workplace culture that emphasises ethical treatment and equal opportunities for professional development. As a responsible employer, the Group complies with the pertinent labour laws in the countries where we operate, providing safe working conditions and fair compensation practices.



Employment (Amendment)
Act 2022



Labour Contract Law



Labour Law 2021

SGL

Annual audits are conducted by the Labour Department to assess our compliance with the Labour Contract Law and address any identified risks of non-compliance. Beyond fulfilling legal requirements, we also provide employees with accessible channels to raise concerns pertaining to working conditions and remuneration, maintaining open communication channels such as employee suggestion boxes and grievance handling procedures. All submitted reports are handled in confidence to protect employees from any retaliation.

Additionally, SGL continued to enforce the following labour rights policies to safeguard employee welfare and uphold responsible employment practices.

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Human Rights and Labour Standards (Cont'd)

SGL (Cont'd)

Anti-Discrimination and Harassment Policy

Zero tolerance for discrimination, bullying, harassment, or unfair employment practices.

Child Labour and Juvenile Worker Policy

Protects human rights through the prevention of child labour or employment of underage workers at the factories.

Freedom of Association Policy

Respects the rights of our employees to participate in worker unions or any organisations not involved in criminal activity without fear or repercussion.

Production Working Hours and Compensation Policy

Ensures fair wages and benefits for all employees, complying with legal wage and hour requirements.

WHD

Guided by our Human Rights Policy, we uphold human rights and equitable remediation across our operations through the following practices, ensuring alignment with the UN Guiding Principles on Business and Human Rights.

Due diligence activities

Conducted due diligence activities within our entire value chain to identify and address potential human rights risks.

Grievance Mechanism

Established a Suggestion Box Opening Policy and Grievance Procedure to provide employees with a confidential platform to raise concerns. Submissions are reviewed by the Grievance Handling Committee which investigates and addresses raised issues.

Better Work Advisory Service

Became an active participant of the Better Work Advisory Service to enhance workplace conditions and promote compliance with both national and international labour standards.

Collective Bargaining Agreement

Addresses key areas concerning employee rights and benefits, such as working conditions, compensation and benefit, ensuring equitable treatment and satisfactory compensation for employees.

Anti-Harassment Policy

Outlines clear expectations regarding workplace conduct and addresses multiple forms of harassment, including physical, verbal, sexual, visual, non-verbal and written harassment.

SUSTAINABILITY STATEMENT (CONT'D)

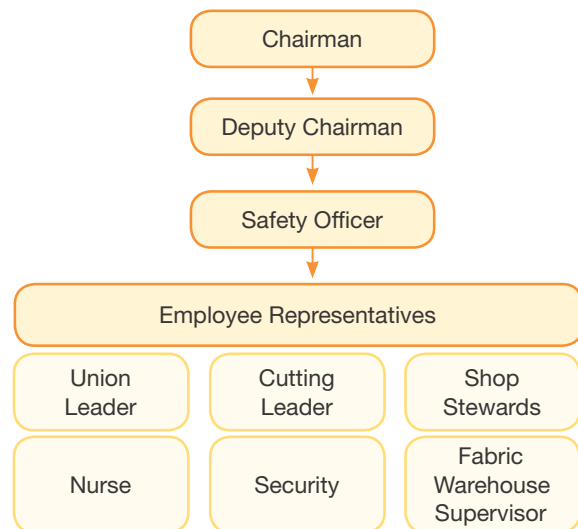
FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Human Rights and Labour Standards (Cont'd)

WHD (Cont'd)

Our Harassment Prevention Committee is responsible for managing reported cases of harassment, ensuring all incidents are handled confidentially and appropriately in line with our Anti-Harassment Policy.

All new hires at WHD receive training on the subsidiary's anti-corruption policies and grievance procedures as part of the induction programme. Additionally, WHD conducted the following refresher training programmes to reinforce awareness and ongoing compliance across all levels of the organisation, as well as provide employees with clear guidance on the proper channels to raise concerns.



Training Programme	Number of Attendees in FY2025
Anti-Harassment Policies and Procedure Training	161
Grievance Policy and Procedure Training	161
Roles and responsibilities of the line leaders, supervisors, employers, employees, union and shop stewards	86

BSSL

A Grievance Solving Committee, comprising both employer and employee representatives, was established to address employee concerns pertaining to workplace conditions, discrimination and unfair treatment. The Committee is tasked with thoroughly investigating all grievances and handling resolutions in a timely and impartial manner, with full respect for the rights of all involved parties.

BSSL also developed a Remediation, Grievance and Dispute Resolution Mechanism to further support the resolution of workplace issues and employee conciliation.

Remediation, Grievance and Dispute Mechanism

Workers may raise complaints through a suggestion box, which is opened weekly, or report issues verbally to their immediate supervisor. All complaints are expected to be addressed and resolved by the relevant parties within one to two working days.

If a resolution cannot be reached between the involved parties, we initiate a formal conciliation process involving a Labour Inspector. If necessary, the matter may be escalated to the Arbitration Council and, as a last resort, to the court. The entire grievance resolution process aims to be completed within a maximum of 15 days.

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Human Rights and Labour Standards (Cont'd)

We are pleased to report that over the past three years, the Group has recorded zero substantiated complaints related to human rights violations, including incidents of discrimination, harassment, child labour, or forced labour.

Diversity and Talent Management

PCCS embraces inclusivity as a core tenet of our business philosophy, fostering a diverse workplace environment that attracts and retains talent encompassing various backgrounds and genders.

Board Diversity

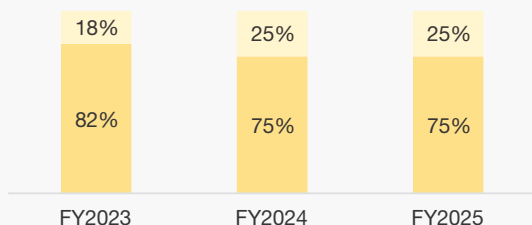
In FY2025, the Board comprised eight members, including six men (75%) and two women (25%), each contributing a broad range of professional skills and expertise. Additionally, 50% of the Board members were between the ages of 30 and 50, reflecting a balanced mix of generational representation.



ZERO
substantiated complaints
concerning human rights
violations

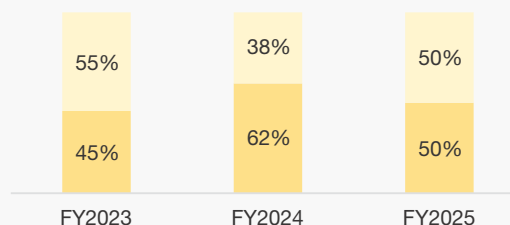
Board Composition by Gender

■ Male ■ Female



Board Composition by Age Group

■ 30-50 ■ >50



Workforce Diversity

Demographic data pertaining to the Group's workforce, including gender, age group and employment type are detailed in the accompanying tables for FY2025. PCCS continues to prioritise the recruitment of local talent, with a majority of our employees recruited from within our operating regions.

Group Total Employee Strength



FY2025: 3,285

(FY2024: 2,523)
(FY2023: 2,369)

Group Employee Diversity

Male

FY2025: 27%



(FY2024: 22%)
(FY2023: 24%)

Female

FY2025: 73%



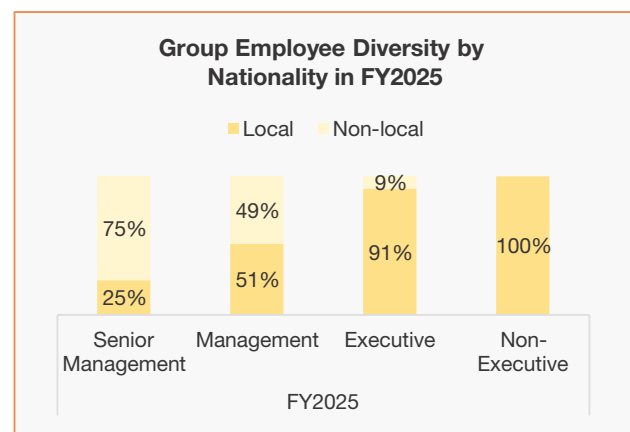
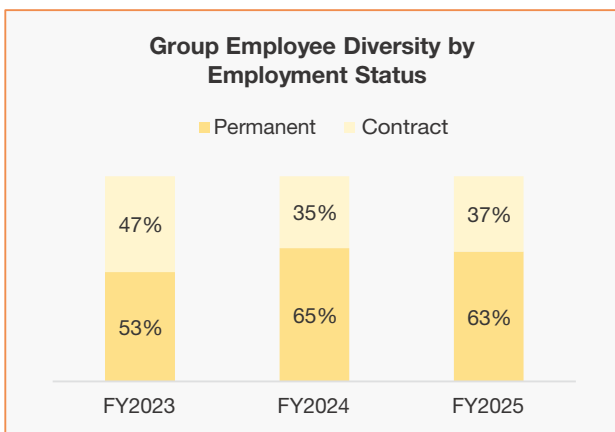
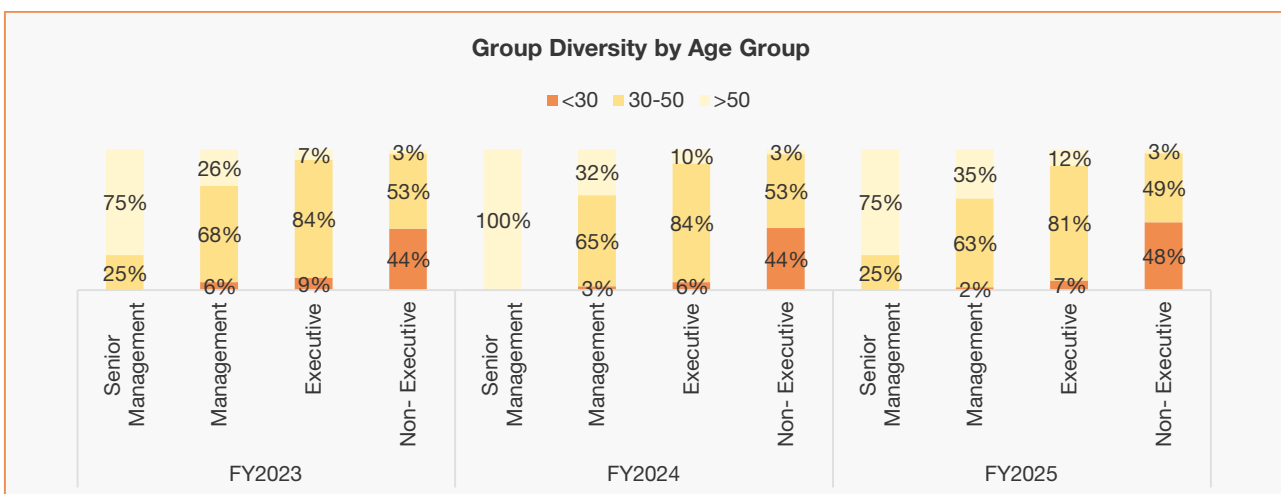
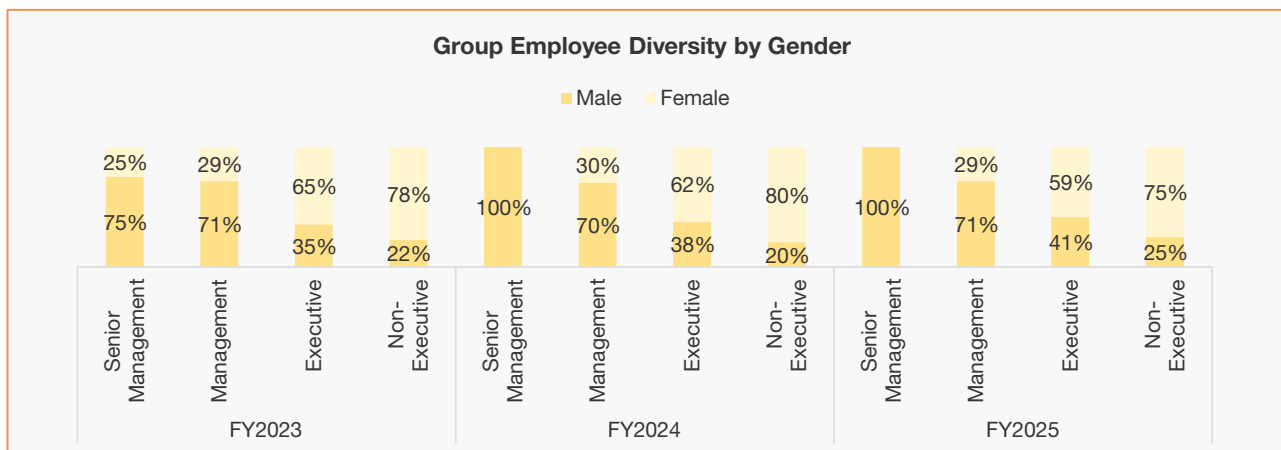
(FY2024: 78%)
(FY2023: 76%)

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Diversity and Talent Management (Cont'd)

Workforce Diversity (Cont'd)





















SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Diversity and Talent Management (Cont'd)

Employee Benefits

We offer benefits packages across our operations to support all employees within the Group.

	SGL	WHD	BSSL
 Annual Leave			
 Parental Leave			
 Health Care (Medical Outpatient Benefits)			
 Retirement Provision			
 Disability and Invalidity Coverage			

In FY2025, WHD revised its Pregnant Employee Policy to align with the latest directives issued by the Ministry of Labour and Vocational Training, Cambodia. The updated policy provides enhanced flexibility for employees to receive maternity leave payments, allowing them to choose between a full 90-day entitlement prior to commencing parental leave or monthly disbursements throughout the leave period. This revision supports employee autonomy and better financial planning during maternity leave.

Parental Leave

The Group achieved a 66% return-to-work rate among the 5 male and 139 female employees who took parental leave in FY2025.

Parental Leave	Gender	FY2023	FY2024	FY2025
Number of employees that took parental leave	Male	1	2	5
	Female	99	118	139
Number of employees that returned after parental leave	Male	2	1	4
	Female	41	64	79
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	2	0	3
	Female	72	56	92

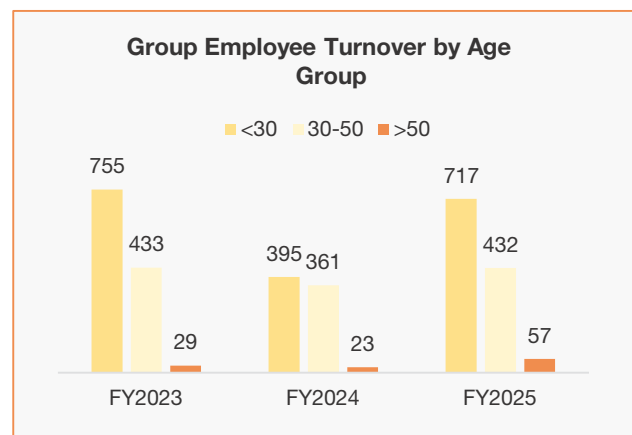
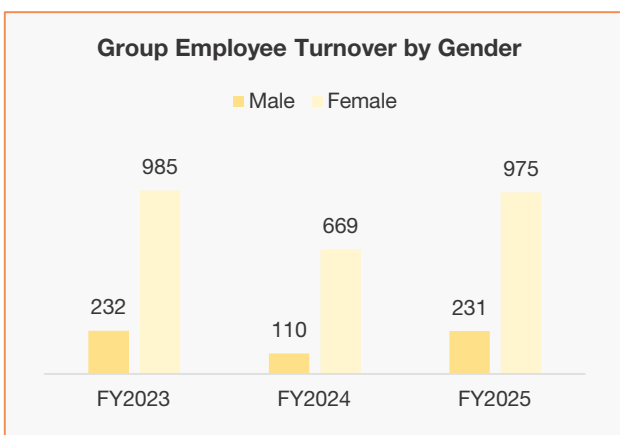
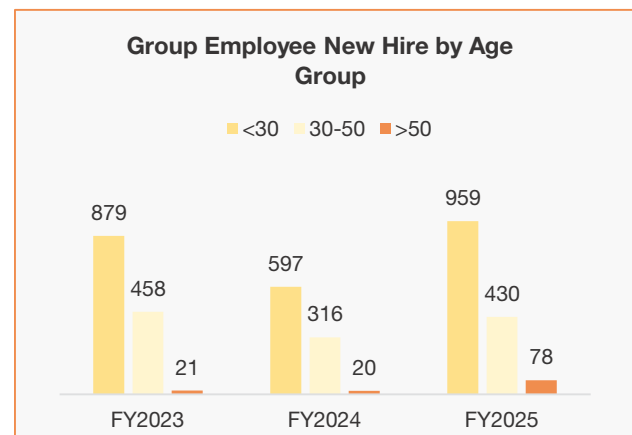
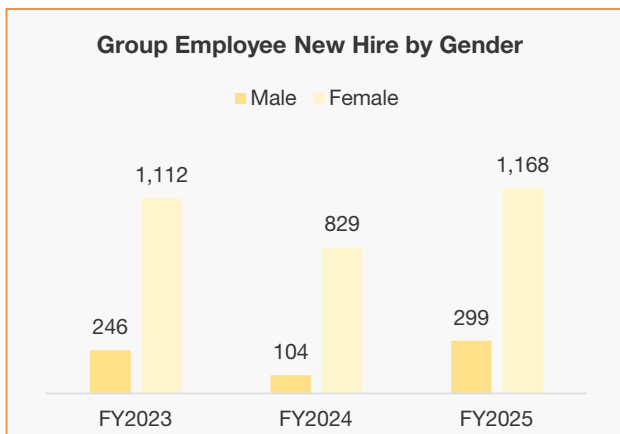
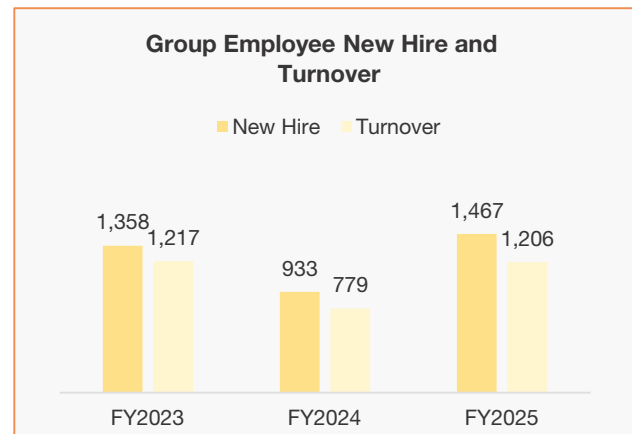
SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Diversity and Talent Management (Cont'd)

Employee Recruitment

The accompanying graphs provide a detailed overview of the Group's recruitment and turnover trends across the past three years.



SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Diversity and Talent Management (Cont'd)

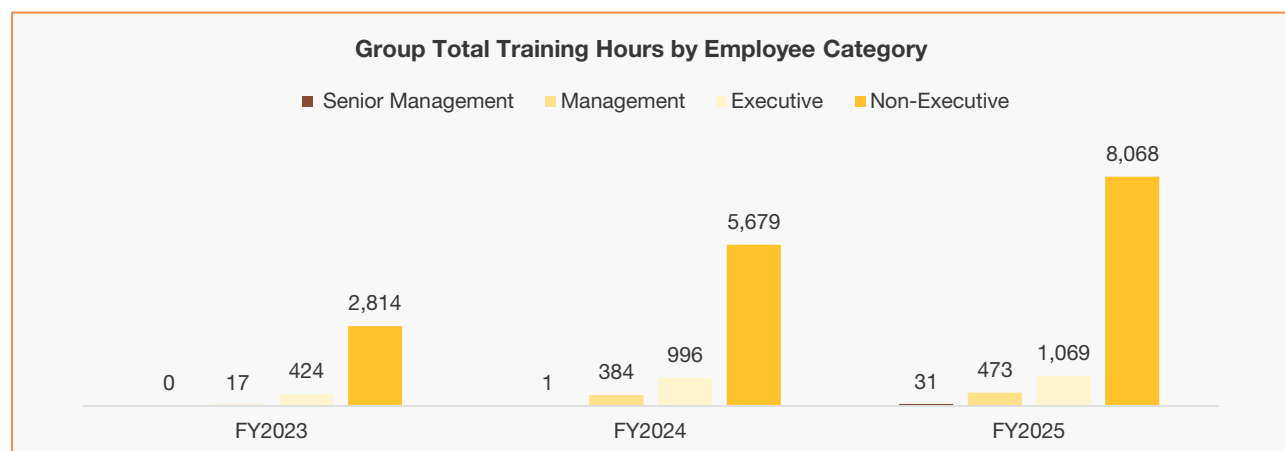
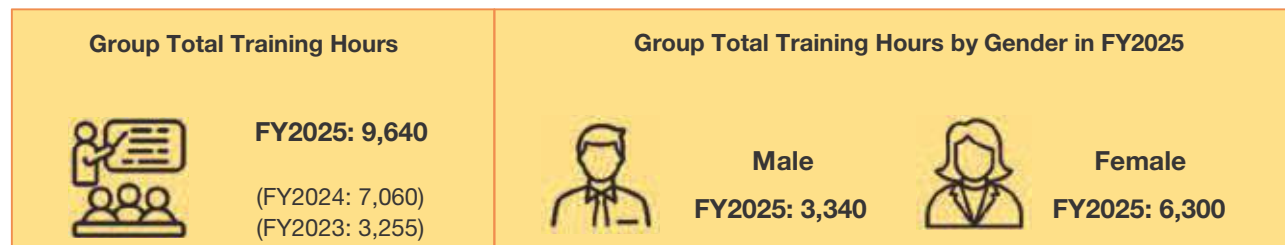
Employee Recruitment (Cont'd)

Group Turnover by Employee Category	FY2023	FY2024	FY2025
Senior Management	1	1	0
Management	2	1	2
Executive	26	33	20
Non-Executive	1,188	744	1,184

Training and Development

PCCS invested in training programmes to support the professional development of our employees and cultivate a high-performing, future-ready workforce. In FY2025, we conducted 57 training programmes across a range of focus areas, including Technical Skills, Soft Skills, Business Planning and Strategy, Finance and Taxation, Occupational Health and Safety and Sustainability.

A total of 9,640 training hours were recorded across the Group in FY2025. Of this, 77% was received by SGL employees, 22% by WHD employees and 1% by Corporate Office employees. Average training hours per employee across the Group stood at 2.07 over the reporting period.

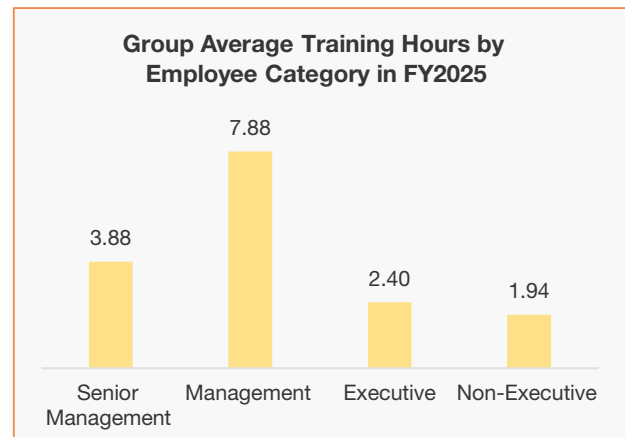
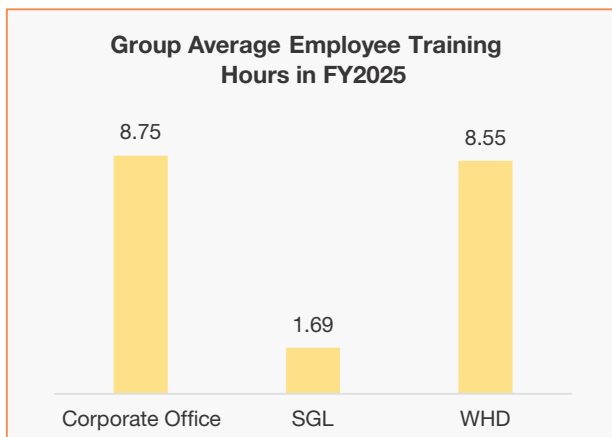


SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Diversity and Talent Management (Cont'd)

Training and Development (Cont'd)



Note: Training and development data for BSSL has been excluded in this reporting year due to data unavailability.

Employee Engagement Session

In FY2025, WHD conducted employee engagement sessions to cultivate an engaged workforce. These sessions served as a platform to align our employees with the Group's organisational goals.



SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Diversity and Talent Management (Cont'd)

Employee Engagement Session (Cont'd)

Employee Engagement Programme	Programme Description	Number of Attendees
Gender Equality and Returns ("GEAR") Programme	A programme aimed at empowering and promoting female employees into supervisory and higher-skilled positions within the organisation.	10
Celebration Khmer New Years Party	A festive gathering where all employees participated in a shared lunch, received a 3-litre bottle of Coca-Cola each, took part in a lucky draw and enjoyed traditional dancing activities.	2,013
Annual Dinner	An annual event recognising the hard work and dedication of all corporate office employees.	75
Team Building	A programme designed to foster collaboration and strengthen employee connections, while raising awareness of global warming and sustainable recycling practices.	32

Employee Performance Review

Annual performance reviews are conducted to assess employee performance and facilitate continuous improvement. In FY2025, 2,540 employees across the Group underwent this review process.

Product Quality and Innovation

We prioritise product quality and continuous innovation to remain competitive and capture consumer interest, reinforcing our brand reputation within the garment manufacturing sector. Our Quality Assurance Department conducts inspections throughout the production lifecycle, from initial manufacturing to final product distribution, ensuring each product aligns with buyer expectations and upholds our stringent quality standards.

SGL

SGL utilised the Higg Index as a tool to measure and improve the environmental and social impacts of our products, supporting our ongoing efforts to meet the diverse requirements of our buyers and expand our presence within global markets. This reporting year, we successfully obtained Higg Index certification in recognition for our commitment to environmental and social performance.

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Product Quality and Innovation (Cont'd)

WHD

We implemented the following initiatives to strengthen our product quality and embed a culture of continuous improvement.



Beautiful Product Audit

The audit process involves the selection of 15 random garments from each of WHD's three sewing lines. These garments undergo inspection for workmanship quality based on buyer-specific standards, with findings reviewed and shared with the sewing operations teams to implement corrective actions, ensuring consistent quality improvements.



Recognition of Excellence

The top-performing Quality Assurance Supervisor and Quality Control Leader is recognised based on their final inspection pass rate, promoting high performance and accountability within the quality assurance teams.



Job Training Sessions

Regular job training sessions are conducted for our Quality Assurance and Quality Control teams to deepen their understanding on buyer-specific quality standards and requirements.

BSSL

BSSL maintained excellence in product quality through the implementation of robust internal systems and the continuous enhancement of our employees' technical capabilities.

1 —

Our internal laboratory staff was trained and certified by Intertek, a British multinational assurance, inspection and product testing provider.

2 —

We use eco-friendly dyes to enhance our product durability while reducing environmental impact.

3 —

Both in-line and end-line Quality Control teams perform 100% checks on all cut panels. Any identified defects are documented in our Enterprise Resource Planning ("ERP") system for traceability and ongoing quality analysis.

We recorded zero substantiated incidents of product mislabelling during the reporting period, demonstrating the effectiveness of our quality assurance measures.



ZERO substantiated incidents of product labelling reported

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Customer Privacy and Data Protection

In response to the increasing frequency and sophistication of cyber threats, we maintain robust cybersecurity measures throughout our operations with our Group-wide Data Policy. The Policy governs data storage, access and protection procedures to mitigate data breaches and safeguard information security. We review and update it regularly to maintain compliance with data protection regulations in all jurisdictions where we operate. In addition, we conduct routine maintenance and upgrades of our software and firewall systems to reinforce system resilience and effectiveness.



Malaysia Data Protection Act
(2010)



Personal Information Protection
Law (2021)
Data Security Law (2021)



Law on Consumer Protection
(2019)
Law on Electronic Commerce
(E Commerce Law) 2019

An integral component of our cybersecurity measures is the internal data breach investigation protocol which operates in accordance with the Management Information System Control procedures implemented across PCCS. The protocol is jointly overseen by both our Management and Management Information System Departments to enable coordinated responses and effective data breach mitigation.

At BSSL, our data security is further reinforced through an annual Worldwide Responsible Accredited Production (“WRAP”) audit conducted by an independent third party. The Group’s efforts have enabled us to maintain zero verified incidents of data breaches or leaks over the past three years.



ZERO incidents of
data breaches
and leaks recorded

Community Engagement

PCCS invests in corporate social responsibility (“CSR”) initiatives within our operating countries to contribute to societal well-being and promote sustainable development within the local communities. Upholding our responsibilities as a corporate citizen enables us to cultivate positive relationships with these communities, securing our social license to operate.

Our programmes were designed to address identified local needs and enhance environmental awareness among the community, with the aim to drive meaningful impact at the grassroots level. In FY2025, the Group executed seven community engagement programmes, directing RM115,930 towards initiatives that support the local communities in which we operate, positively impacting 23,296 individuals and 2 organisations.

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Community Engagement (Cont'd)

CSR Programme	Programme Description	Amount Invested (RM)	Number of Beneficiaries
No Use Plastic Bottle Programme	In partnership with the Ministry of Environment of Cambodia, PCCS distributed stainless steel vacuum bottles to promote the reduction of single-use plastics within the local community.	36,369	3,000 individuals
Smile Cambodia Surgical Missions	PCCS supported the mission organised by Pursat Provincial Referral Hospital to provide essential surgical interventions to individuals with facial deformities. A total of 58 patients were screened, with 39 receiving corrective surgeries, including 12 cleft lip, 6 cleft palate and 21 other facial procedures.	17,511	136 individuals
Clean-Up Day Programme	In conjunction with National Environmental Sanitation Day, this programme aimed to raise environmental awareness among employees and the local community. Activities included waste collection utilising a company garbage truck and participation in local clean-up drives.	3,049	50 individuals
Clean Environment and Charity for Love Programme	In collaboration with the Ministry of Environment, PCCS conducted the programme at the ALOHA Learning Center to promote environmental awareness and stewardship among children. The initiative supported the "Today No Use Plastic Bag" campaign and included tree planting activities, along with donations of food, clothing, construction materials.	7,601	110 individuals
Open Basketball Competition	PCCS contributed to the 27 th PCCS Cup/BPBA Open Basketball Competition, organised in collaboration with the Batu Pahat Basketball Association ("BPBA"), at Stadium Chan Kok Hiang.	6,000	20,000 individuals
Assistance for Dialysis Patients	In support of the Rotary Club, PCCS contributed to the enhancement of patient services through improved transportation and facility upgrades.	30,000	1 organisation
Contribution to the Chinese Chamber of Commerce and Industry	PCCS provided financial support for the Chamber's cultural activities, including the sponsorship of Chinese New Year T-shirts.	15,400	1 organisation

SUSTAINABILITY STATEMENT (CONT'D)

FOSTERING SOCIAL SUSTAINABILITY (CONT'D)

Community Engagement (Cont'd)

Group Community Investment	FY2023	FY2024	FY2025
Total Donations / Contribution (RM)	49,830	27,914	115,930
Number of Beneficiaries Impacted	21,300 individuals	20,462 individuals	23,296 individuals and 2 organisations

Note: The conversion rate of contribution made was from USD to MYR by using the exchanged rate provided by Bank Negara Malaysia at the end of the financial year as follows: FY2023 (4.56), FY2024 (4.74), FY2025(4.49).



WHD-No Use Plastic Bottle



WHD-Smile Cambodia Surgical



WHD-Clean-Up Day Programme



WHD-Clean Environment and Charity for Love Programme

BUILDING MOMENTUM TOWARDS A SUSTAINABLE TOMORROW

PCCS remains dedicated to integrating responsible practices throughout our garment manufacturing operations. In 2025, the Group made meaningful progress in reducing our environmental footprint through the adoption of renewable energy and enhanced resource efficiency. Ethical business practices remain central to our business strategy, strengthening our sustainability governance, and we continue to cultivate a more inclusive and engaged workforce to support long-term sustainable growth. These efforts form the foundation for advancing our sustainability journey, enabling us to deliver enduring stakeholder value and contribute to a more responsible garment sector.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024	2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
SGL-Senior Management	Percentage	0.00	0.00	0.00
SGL-Management	Percentage	0.00	0.00	0.00
SGL-Executive	Percentage	5.00	6.00	0.00
SGL-Non Executive	Percentage	27.00	18.00	42.00
WHD-Senior Management	Percentage	100.00	100.00	100.00
WHD-Management	Percentage	100.00	100.00	100.00
WHD-Executive	Percentage	100.00	100.00	100.00
WHD-Non Executive	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	49,830.00	27,914.00	115,930.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	21,300	20,462	23,298
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	25.00	0.00	25.00
Senior Management Above 50	Percentage	75.00	100.00	75.00
Management Under 30	Percentage	6.00	3.00	2.00
Management Between 30-50	Percentage	68.00	65.00	63.00
Management Above 50	Percentage	26.00	32.00	35.00
Executive Under 30	Percentage	9.00	6.00	7.00
Executive Between 30-50	Percentage	84.00	84.00	81.00
Executive Above 50	Percentage	7.00	10.00	12.00
Non-Executive Under 30	Percentage	44.00	44.00	48.00
Non-Executive Between 30-50	Percentage	53.00	53.00	49.00
Non-Executive Above 50	Percentage	3.00	3.00	3.00

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2023	2024	2025
Gender Group by Employee Category				
Senior Management Male	Percentage	75.00	100.00	100.00
Senior Management Female	Percentage	25.00	0.00	0.00
Management Male	Percentage	71.00	70.00	71.00
Management Female	Percentage	29.00	30.00	29.00
Executive Male	Percentage	35.00	38.00	41.00
Executive Female	Percentage	65.00	62.00	59.00
Non-Executive Male	Percentage	22.00	20.00	25.00
Non-Executive Female	Percentage	78.00	80.00	75.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	82.00	75.00	75.00
Female	Percentage	18.00	25.00	25.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	45.00	62.00 *	50.00
Above 50	Percentage	55.00	38.00	50.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	8,111.00	8,962.00	12,189.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.09	0.11	0.12
Bursa C5(c) Number of employees trained on health and safety standards	Number	565	521	9,871
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	0	1	31
Management	Hours	17	384	473
Executive	Hours	424	996	1,069
Non-Executive	Hours	2,814	5,679	8,068
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	47.00	35.00	37.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	1	1	0
Management	Number	2	1	2
Executive	Number	26	33	20
Non-Executive	Number	1,188	744	1,184
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2023	2024	2025
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	64.00	69.00	99.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	44.000000	44.000000	62.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	843.00	827.00	926.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	720.00	759.00	832.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	123.00	68.00	94.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	203.00	239.00	425.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	416.00	421.00	932.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	463.00	557.00	397.00

SUSTAINABILITY STATEMENT (CONT'D)

GRI CONTENT INDEX

Statement of use	PCCS Group Berhad has reported the information cited in this GRI content index for the period 1 April 2024 until 31 March 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location (Page)
GRI 2: General Disclosures 2021	2-1 Organisational details	56
	2-2 Entities included in the organisation's sustainability reporting	56
	2-3 Reporting period, frequency and contact point	56 - 57
	2-7 Employees	97
	2-9 Governance structure and composition	63
	2-12 Role of the highest governance body in overseeing the management of impacts	63, 68
	2-13 Delegation of responsibility for managing impacts	63
	2-14 Role of the highest governance body in sustainability reporting	63
	2-19 Remuneration policies	73
	2-23 Policy commitments	72 - 73
	2-26 Mechanisms for seeking advice and raising concerns	72 - 73
	2-27 Compliance with laws and regulations	72, 85, 89, 93
	2-29 Approach to stakeholder engagement	64 - 65
GRI 3: Material Topics 2021	3-2 List of material topics	66
	3-3 Management of material topics	Throughout
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	75
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	74
	205-2 Communication and training about anti-corruption policies and procedures	73
	205-3 Confirmed incidents of corruption and actions taken	74
GRI 301: Materials 2016	301-2 Recycled input materials used	87
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	78 - 80
GRI 303: Water and Effluents 2018	303-5 Water consumption	82 - 84
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	84 - 86

SUSTAINABILITY STATEMENT (CONT'D)

GRI CONTENT INDEX (CONT'D)

GRI Standard	Disclosure	Location (Page)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	99 - 100
	401-3 Parental leave	98
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	89 - 91
	403-2 Hazard identification, risk assessment, and incident investigation	89 - 91
	403-5 Worker training on occupational health and safety	91 - 93
	403-9 Work-related injuries	91
	403-10 Work-related ill health	91
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	100 - 101
	404-2 Programmes for upgrading employee skills and transition assistance programmes	100 - 101
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	96
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	96
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	104

FINANCIAL STATEMENTS

FINANCIALS

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries include manufacturing and sale of apparels, manufacturing of embroidery, seamless bond, sublimation and silk screen products, provision of agency, handling and design services for garments, trading of garments, labels and stickers, financial leasing activities, research and development, manufacturing, import and export of medical and healthcare products, wholesale of medical, professional, scientific and precision equipment and investment holding.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	4,802	6,111
Attributable to:		
Owners of the Company	5,720	6,111
Non-controlling interests	(918)	–
	4,802	6,111

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
Second single-tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2024, paid on 5 July 2024	2,206

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 March 2025.

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT (CONT'D)

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT (CONT'D)

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM601,000 and RM134,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 March 2025, the Company held 2,430,900 treasury shares out of its 223,021,000 issued and paid-up ordinary shares. Such treasury shares are held at the carrying amount of RM1,161,000.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the ESOS.

At an Extraordinary General Meeting held on 26 August 2019, the Company's shareholders approved the establishment of an ESOS for directors and employees who meet the criteria of eligibility for participation.

The share options are granted to eligible directors and employees. The options granted are vested immediately and settlement is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is two years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

The details of the options over ordinary shares of the Company are as follows:

Option price	Balance as at 1.4.2024	Granted	Lapsed	Balance as at 31.3.2025	Exercisable as at 31.3.2025
RM0.39	300,000	–	(40,000)	260,000	260,000
RM0.36	–	1,308,850	–	1,308,850	1,308,850
	300,000	1,308,850	(40,000)	1,568,850	1,568,850

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chan Chow Tek *
Dato' Chan Chor Ngjak
Chan Chor Ang
Piong Yew Peng
Chan Wee Kiang *
Chan Wee Boon *
Joyce Wong Ai May
Goh Wen Ling

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:-

Chan Choo Sing
Abdul Muttalib Bin Jasmani
Tan Kwee Kee
Chen TianSheng
Tang Lai Huat
Shi XiaoQun
Wang WenJun
Hooi Toong Wan
Daniel Pua Kian Boon
Sim Sian Ling
Ng Kok Hoe
Ng Beng Hong
Ho Ming How
Lim Hock Beng
Ong Hwee Mean
See Kok Wah

(Appointed on 13 June 2024)
(Appointed on 13 June 2024)
(Appointed on 4 September 2024)
(Resigned on 13 June 2024)
(Resigned on 13 June 2024)
(Resigned on 12 December 2024)

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares and share option granted under ESOS in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	At 1 April 2024	Number of ordinary shares		At 31 March 2025
		Bought	Sold	
Direct interests:				
Chan Chow Tek	11,536,142	–	–	11,536,142
Dato' Chan Chor Ngiak	5,089,026	–	–	5,089,026
Chan Chor Ang	4,607,969	–	–	4,607,969
Chan Wee Kiang	2,211,964	–	–	2,211,964
Piong Yew Peng	250,000	–	–	250,000
Chan Wee Boon	440,000	20,000	–	460,000
Joyce Wong Ai May	60,000	–	–	60,000
Indirect interests:				
Dato' Chan Chor Ngiak [#]	4,665	–	–	4,665
Chan Chor Ang [#]	100,000	–	–	100,000
Chan Wee Kiang [*]	93,524,928	469,300	(3,000,000)	90,994,228

* Shares held through Company in which the directors have substantial financial interest

Shares held through spouse

	At 1 April 2024	Number of ESOS		At 31 March 2025
		Granted	Exercised	
Direct interests:				
Chan Wee Kiang	130,000	608,850	–	738,850

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Chan Wee Kiang is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the directors in office at the end of the financial year had any interest in ordinary shares and options over ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company are as follows:

	2025	
	Group RM'000	Company RM'000
Directors of the Company		
- Fees	540	540
- Other emoluments	1,791	16
- Share-based payments	135	135
	2,466	691

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM1,000,000 and RM4,500 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2025	2024
Subsidiaries of the Company				
La Prima Medtech Sdn. Bhd.	Malaysia	Research and development, manufacturing, import and export of medical and healthcare products	100	100
Keza Sdn. Bhd.	Malaysia	Investment holding	100	100
Mega Labels & Stickers Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100
JIT Textiles Limited	Cambodia	Temporarily ceased operations	100	100
Perfect Seamless Garments (Cambodia) Limited	Cambodia	Manufacturing of seamless bond and silk screen products	–	100

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows (Cont'd):

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2025	2024
Subsidiaries of the Company (Cont'd)				
PCCS Garments (Suzhou) Ltd.	The People's Republic of China	Manufacturing and sale of apparels	–	100
PCCS (Hong Kong) Limited	Hong Kong	Manufacturing and trading of garments	100	100
Thirty Three (Hong Kong) Limited	Hong Kong	Investment holding	100	100
La Prima Medicare Pte. Ltd.	Singapore	Wholesale of medical, professional, scientific and precision equipment	70	70
Southern Auto Capital Sdn. Bhd.	Malaysia	Financial leasing activities	100	95
Southern Capital Group Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	–
Beauty Silk Screen (M) Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100
Subsidiary of Beauty Silk Screen (M) Sdn. Bhd.				
Beauty Silk Screen Limited	Cambodia	Manufacturing of embroidery, sublimation and silk screen products	100	100
Subsidiary of Thirty Three (Hong Kong) Limited				
Thirty Three (Shanghai) Limited	The People's Republic of China	Trading of brand apparels and provide design service	100	100
Subsidiary of Mega Labels & Stickers Sdn. Bhd.				
Mega Labels & Stickers (Cambodia) Co., Ltd.	Cambodia	Trading of labels and stickers	100	100
Subsidiary of Keza Sdn. Bhd.				
Keza (Cambodia) Limited	Cambodia	Temporarily ceased operations	100	100
Wan He Da Manufacturing Company Limited	Cambodia	Provision of garment manufacturing and services	–	100

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows (Cont'd):

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2025	2024
Subsidiaries of PCCS (Hong Kong) Limited				
Kezanova Sdn. Bhd.	Malaysia	Investment holding and provision of marketing services	100	–
Wan He Da Manufacturing Company Limited	Cambodia	Provision of garment manufacturing and services	100	–
Perfect Seamless Garments (Cambodia) Limited	Cambodia	Manufacturing of seamless bond and silk screen products	100	–
PCCS Garments (Suzhou) Ltd.	The People's Republic of China	Manufacturing and sale of apparels	100	–
Subsidiary of PCCS Garments (Suzhou) Ltd.				
PCCS Garments (Shandong) Ltd.	The People's Republic of China	Manufacturing and sale of apparels	51	51
Subsidiary of Wan He Da Manufacturing Company Limited				
Thirty Three Apparels (Cambodia) Co., Ltd.	Cambodia	Provision of garment manufacturing and services	100	100

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

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 31 May 2025, Southern Capital Group Sdn. Bhd., a subsidiary of the Company had acquired:

- 60,003 ordinary shares, representing 100% equity interest of Delight Agencies Sdn. Bhd. for a cash consideration of RM170,000;
- 800,000 ordinary shares, representing 100% equity interest of Mohita Jaya Sdn. Bhd. for a cash consideration of RM220,000; and
- 2 ordinary shares, representing 100% equity interest of Team One Agency Sdn. Bhd. for a cash consideration of RM2.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
DATO' CHAN CHOR NGIAK

Director

.....
CHAN CHOW TEK

Director

Date: 28 July 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	74,603	74,123	693	786
Investment properties	6	13,905	15,688	–	–
Intangible assets	7	8	10	–	–
Investment in subsidiaries	8	–	–	36,806	61,229
Lease receivables	9	32,529	33,423	–	–
Trade and other receivables	11	326	–	5,634	7,999
Deferred tax assets	21	3,687	2,440	–	–
Total non-current assets		125,058	125,684	43,133	70,014
Current assets					
Inventories	10	105,555	105,933	–	–
Trade and other receivables	11	74,012	57,246	50,774	25,355
Lease receivables	9	10,202	8,088	–	–
Contract assets	12	7,363	4,400	–	–
Other current assets	13	10,692	6,522	46	42
Tax assets	14	78	1,213	–	–
Short-term funds	15	2,013	4,357	1	693
Deposits, cash and bank balances	16	40,596	45,371	9,512	3,504
Total current assets		250,511	233,130	60,333	29,594
TOTAL ASSETS		375,569	358,814	103,466	99,608
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	91,453	91,453	91,453	91,453
Treasury shares	18	(1,161)	(1,161)	(1,161)	(1,161)
Foreign exchange reserve	19	4,210	8,160	–	–
Legal reserve fund	19	5,599	4,633	–	–
Share option reserve	19	325	40	325	40
Retained earnings		71,038	68,468	6,776	2,871
		171,464	171,593	97,393	93,203
Non-controlling interests		1,441	3,765	–	–
TOTAL EQUITY		172,905	175,358	97,393	93,203
Non-current liabilities					
Loans and borrowings	20	14,788	12,366	405	470
Total non-current liabilities		14,788	12,366	405	470

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025
(CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current liabilities					
Loans and borrowings	20	60,015	66,450	180	146
Trade and other payables	22	123,606	102,570	5,431	5,704
Tax liabilities		4,255	2,070	57	85
Total current liabilities		187,876	171,090	5,668	5,935
TOTAL LIABILITIES		202,664	183,456	6,073	6,405
TOTAL EQUITY AND LIABILITIES		375,569	358,814	103,466	99,608

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	23	547,770	377,847	4,481	1,914
Cost of sales	24	(454,224)	(303,914)	–	–
Gross profit		93,546	73,933	4,481	1,914
Other income	25	6,467	10,119	6,150	1,780
Administrative expenses		(70,424)	(61,013)	(5,563)	(4,900)
Net (impairment losses)/reversal of impairment losses on:					
- trade and other receivables		(6)	(214)	294	(989)
- lease receivables		(4,298)	(4,091)	–	–
Selling and marketing expenses		(10,531)	(9,816)	–	–
Other expenses		–	–	–	(20)
		(85,259)	(75,134)	(5,269)	(5,909)
Operating profit/(loss)		14,754	8,918	5,362	(2,215)
Finance income	26	968	1,079	988	1,609
Finance costs	27	(8,259)	(5,355)	(33)	(33)
Profit/(Loss) before tax	28	7,463	4,642	6,317	(639)
Tax expense	30	(2,661)	(837)	(206)	(200)
Profit/(Loss) for the financial year		4,802	3,805	6,111	(839)
Other comprehensive (loss)/income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(4,049)	57	–	–
Total comprehensive income/(loss) for the financial year		753	3,862	6,111	(839)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) attributable to:					
Owners of the Company		5,720	6,435	6,111	(839)
Non-controlling interests		(918)	(2,630)	–	–
		4,802	3,805	6,111	(839)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		1,770	6,393	6,111	(839)
Non-controlling interests		(1,017)	(2,531)	–	–
		753	3,862	6,111	(839)
Earnings per share attributable to owners of the the Company (sen):					
- Basic	31	2.56	2.88		
- Diluted	31	2.56	2.88		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Attributable to owners of the Company						
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Foreign exchange reserve RM'000	Legal reserve fund RM'000	Retained earnings RM'000	Total equity RM'000
Group							
At 1 April 2024	91,453	(1,161)	40	8,160	4,633	68,468	171,593
							3,765
							175,358
Total comprehensive income/ (loss) for the financial year	-	-	-	-	-	5,720	5,720
Profit for the financial year	-	-	-	(3,950)	-	-	(918)
Other comprehensive loss for the financial year	-	-	-	-	-	-	(99)
							(4,049)
Total comprehensive income/ (loss)	-	-	-	(3,950)	-	5,720	1,770
							(1,017)
							753
Transactions with owners							
Changes in ownership interest in a subsidiary	-	-	-	-	-	17	17
Share option issued	-	-	290	-	-	-	290
Lapsed share option	-	-	(5)	-	-	5	-
Legal reserve fund	-	-	-	-	966	(966)	-
Dividend paid on shares	-	-	-	-	-	(2,206)	(2,206)
							(2,206)
Total transactions with owners	-	-	285	-	966	(3,150)	(1,899)
							(1,307)
							(3,206)
At 31 March 2025	91,453	(1,161)	325	4,210	5,599	71,038	171,464
							1,441
							172,905

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025
(CONT'D)**

	Attributable to owners of the Company						
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Foreign exchange reserve RM'000	Legal reserve fund RM'000	Retained earnings RM'000	Total equity RM'000
Group							
At 1 April 2023	91,453	(1,161)	110	8,202	3,890	64,912	167,406
						2,241	169,647
Total comprehensive income/ (loss) for the financial year	-	-	-	-	-	6,435	6,435
Profit for the financial year	-	-	-	-	-	-	-
Other comprehensive income/ (loss) for the financial year	-	-	-	(42)	-	-	(42)
						99	57
Total comprehensive income/ (loss)	-	-	-	(42)	-	6,435	6,393
						(2,531)	3,862
Transactions with owners							
Subscription of shares by non-controlling interests in a subsidiary	-	-	-	-	-	-	-
Lapsed share option	-	-	(70)	-	-	70	-
Legal reserve fund	-	-	-	-	743	(743)	-
Dividend paid on shares	-	-	-	-	-	(2,206)	(2,206)
						(25)	(2,231)
Total transactions with owners	-	-	(70)	-	743	(2,879)	(2,206)
						4,055	1,849
At 31 March 2024	91,453	(1,161)	40	8,160	4,633	68,468	171,593
						3,765	175,358

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025
(CONT'D)**

	Attributable to owners of the Company				
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 April 2024					
Total comprehensive income for the financial year	91,453	(1,161)	40	2,871	93,203
Profit for the financial year, representing total comprehensive income	-	-	-	6,111	6,111
Transactions with owners					
Share option issued	-	-	290	-	290
Lapsed share option	-	-	(5)	-	(5)
Dividend paid on shares	-	-	-	(2,206)	(2,206)
32					
Total transactions with owners	-	-	285	(2,206)	(1,921)
At 31 March 2025	91,453	(1,161)	325	6,776	97,393
Company					
At 1 April 2023					
Total comprehensive loss for the financial year	91,453	(1,161)	110	5,846	96,248
Loss for the financial year, representing total comprehensive loss	-	-	-	(839)	(839)
Transactions with owners					
Lapsed share option	-	-	(70)	70	-
Dividend paid on shares	-	-	-	(2,206)	(2,206)
32					
Total transactions with owners	-	-	(70)	(2,136)	(2,206)
At 31 March 2024	91,453	(1,161)	40	2,871	93,203

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Note	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Profit/(Loss) before tax	7,463	4,642	6,317	(639)
Adjustments for:				
Amortisation of intangible assets	1	4	–	–
Bad debts recovered	(14)	(5)	–	–
Bad debts written off	–	–	–	19
Depreciation on investment properties	875	915	–	–
Depreciation on property, plant, and equipment	9,945	9,550	232	208
Fair value gain on short-term funds	(88)	(118)	(2)	(7)
Gain on lease modification	–	(28)	–	–
Gain on disposal of subsidiaries	–	–**	(6,142)	–**
Income distribution from short-term funds	(27)	(65)	(6)	(26)
Interest expense	8,259	5,355	33	33
Interest income	(968)	(1,079)	(988)	(1,609)
Inventories written down	11	74	–	–
Loss/(Gain) on disposal of property, plant and equipment	93	97	–	(15)
Net impairment losses/(reversal of impairment losses) on:				
- investment in subsidiaries	–	–	1,200	2,120
- lease receivables	4,298	4,091	–	–
- trade and other receivables	6	214	–	–
- amounts owing by subsidiaries	–	–	(293)	989
Property, plant and equipment written off	155	292	5	–***
Share-based payments	290	–	179	–
Unrealised loss/(gain) on foreign exchange	7,315	(3,997)	208	(435)
Waiver of debts	–	(3)	–	–
	30,151	15,297	(5,574)	1,277
Operating cash flows before changes in working capital, carried forward	37,614	19,939	743	638

** represents gain on disposal of subsidiary of RM2

*** represents written off of property, plant and equipment of RM421.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (cont'd)					
Operating cash flows before changes in working capital, brought forward		37,614	19,939	743	638
Changes in working capital:					
Contract assets		(2,963)	(2,532)	–	–
Inventories		367	(47,521)	–	–
Lease receivables		(5,503)	(14,782)	–	–
Other current assets		(4,170)	438	(4)	(6)
Trade and other receivables		(26,786)	(2,294)	(13)	1
Trade and other payables		28,022	13,432	(294)	300
		(11,033)	(53,259)	(311)	295
Net cash from/(used in) operations		26,581	(33,320)	432	933
Interest paid		(8,259)	(5,355)	(33)	(33)
Tax paid		(673)	(4,715)	(235)	(224)
Net cash from/(used in) operating activities		17,649	(43,390)	164	676
Cash flows from investing activities					
Additional investment in a subsidiary		(1,290)	–	(1,290)	(18,000)
Advances to subsidiaries		–	–	(22,954)	(212)
Disposal of a subsidiary, net of cash disposed		–	–	30,760	–*
Income distribution from short-term funds		27	65	6	26
Interest received		968	1,079	988	1,609
Net change in short-term funds	(c)	2,432	1,054	694	(19)
Purchase of property, plant and equipment	5(a)	(14,080)	(5,738)	(13)	(34)
Purchase of investment properties		–	(9)	–	–
Proceeds from disposal of property, plant and equipment		310	262	–	20
Net cash (used in)/from investing activities		(11,633)	(3,287)	8,191	(16,610)

* represents net cash inflow of RM2 from disposal of a subsidiary.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities	(a)				
(Repayments to)/Advances from directors		(303)	1,362	–	–
(Repayments to)/Advances from related parties		(433)	5,547	–	(2)
Advances from a subsidiary		–	–	21	–
Dividends paid to:					
- non-controlling interests		–	(25)	–	–
- owners of the Company		(2,206)	(2,206)	(2,206)	(2,206)
Net drawdown of block discounting borrowings		4,327	5,633	–	–
Net (repayments)/drawdown of short-term borrowings		(6,728)	17,559	–	–
Repayments of hire purchase payables		(162)	(131)	(162)	(131)
Repayments of lease liabilities		(2,949)	(1,822)	–	–
Subscription of shares in a subsidiary by non-controlling interests		–	4,080	–	–
Net cash (used in)/from financing activities		(8,454)	29,997	(2,347)	(2,339)
Net (decrease)/increase in cash and cash equivalents		(2,438)	(16,680)	6,008	(18,273)
Cash and cash equivalents at the beginning of the financial year		45,371	60,618	3,504	21,777
Effects of foreign exchange rate changes		(2,337)	1,433	–	–
Cash and cash equivalents at the end of the financial year	16	40,596	45,371	9,512	3,504

(a) Changes in liabilities arising from financing activities:

	Note	1.4.2024 RM'000	Cash flows RM'000	Acquisition RM'000	31.3.2025 RM'000
Group					
Amounts owing to directors	22	4,195	(303)	–	3,892
Amounts owing to related parties	22	6,055	(433)	–	5,622
Block discounting borrowings	20	5,633	4,327	–	9,960
Lease liabilities	20	9,743	(2,949)	1,368	8,162
Hire purchase payables	20	616	(162)	131	585
Short-term borrowings	20	62,824	(6,728)	–	56,096
		89,066	(6,248)	1,499	84,317

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D)

(a) Changes in liabilities arising from financing activities (Cont'd):

	Note	1.4.2023 RM'000	Cash flows RM'000	Acquisition RM'000	Lease modification RM'000	31.3.2024 RM'000
Group						
Amounts owing to directors	22	2,833	1,362	–	–	4,195
Amounts owing to related parties	22	508	5,547	–	–	6,055
Block discounting borrowings	20	–	5,633	–	–	5,633
Lease liabilities	20	10,669	(1,822)	1,448	(552)	9,743
Hire purchase payables	20	579	(131)	168	–	616
Short-term borrowings	20	45,265	17,559	–	–	62,824
		59,854	28,148	1,616	(552)	89,066
Company						
Amounts owing to subsidiaries	22	–	21	–	–	21
Hire purchase payables	20	616	(162)	131	–	585
		616	(141)	131	–	606
Company						
Amount owing to a related party	22	2	(2)	–	–	–
Hire purchase payables	20	579	(131)	168	–	616
		581	(133)	168	–	616

(b) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM5,083,000 (2024: RM3,950,000) and RM120,000 (2024: RM120,000) respectively.

(c) The short-term funds are integral part of the Group's and the Company's capital management as disclosed in Note 38 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

PCCS Group Berhad (“**the Company**”) is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Lot 1376, GM 127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor.

The principal place of business of the Company is located at Lot 1376, GM 127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are as disclosed in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 July 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRSs**”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial year:

MFRS 7	Financial Instruments: Disclosure
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statements of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group and Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("**the functional currency**"). The consolidated financial statements are presented in Ringgit Malaysia ("**RM**"), which is also the Company's functional currency and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments (Cont'd)

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	20-50 years
Plant and machinery, air-conditioners, factory equipment and electrical installation	10 years
Renovation, furniture and fittings and office equipment	5-10 years
Motor vehicles	5 years

3.5 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

All investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives of 50 years.

3.6 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 20.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Leases (Cont'd)

(a) Lessee accounting (Cont'd)

Right-of-use asset

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on weighted average cost basis.

3.8 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Trademark	Straight-line	10 years

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income

(a) Sale of goods – manufacturing

The Group manufactures and sells a range of garments, labels and stickers to local and foreign customers. Revenue from sale of manufactured goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with credit terms of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts where applicable. The Group uses the expected value method because it is the method that the Group expects to better predict the estimated volume discounts to which it will be provided to the customers.

(b) Lease interest income

Lease interest income is recognised upon commencement of the lease agreement using a constant periodic rate of return over the period of the agreement.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(f) Others

Revenue from insurance commission and handling and processing fees are recognised at a point in time when the services have been rendered to the customers and coincide with the delivery of services acceptance by customers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Valuation of inventories

The review of saleability and valuation of inventories at the lower of cost and net realisable value are an area of significant judgement and estimate. The Group writes down its obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group analyses expected sales trend when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 10.

(b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The directors use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history and existing market conditions at the end of each reporting period.

The information about the impairment losses on the Group's and the Company's financial assets are disclosed in Note 35(b)(iv).

(c) Impairment of properties, plant and equipment

The Group and the Company assess impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Where such indication exists, the Group and the Company determine the recoverable amount based on present value of the estimated future cash flows expected to be derived from the property, plant and equipment. In estimating the present value of the estimated cash flows, the Group and the Company apply a suitable discount rate and make assumptions underlying the cash flow projection, including forecast growth rates, inflation rates and gross profit margin.

Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected.

The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Buildings RM'000	Plant and machinery, air- conditioners, factory equipment and electrical installation RM'000	Renovation, furniture and fittings and office equipment RM'000	Motor vehicles RM'000	Right- of-use assets RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 April 2024	49,889	42,911	31,787	5,039	22,121	–	151,747
Additions	–	5,210	1,571	1,178	1,368	6,252	15,579
Disposals	–	(2,186)	(393)	(264)	–	–	(2,843)
Written off	–	(7,538)	(18,457)	(145)	–	(1)	(26,141)
Derecognition	–	–	–	–	(2,826)	–	(2,826)
Reclassification	–	(255)	4,879	–	–	(4,624)	–
Exchange differences	(3,069)	(2,259)	(1,581)	(267)	124	(27)	(7,079)
At 31 March 2025	46,820	35,883	17,806	5,541	20,787	1,600	128,437
Accumulated depreciation							
At 1 April 2024	17,233	24,886	25,229	2,723	5,601	–	75,672
Depreciation charge for the financial year (Note 28)	2,135	2,728	1,576	790	2,716	–	9,945
Disposals	–	(1,938)	(353)	(149)	–	–	(2,440)
Written off	–	(7,538)	(18,303)	(145)	–	–	(25,986)
Derecognition	–	–	–	–	(2,826)	–	(2,826)
Reclassification	–	(213)	213	–	–	–	–
Exchange differences	(1,095)	(1,184)	(1,146)	(162)	1,104	–	(2,483)
At 31 March 2025	18,273	16,741	7,216	3,057	6,595	–	51,882
Accumulated impairment losses							
At 1 April 2024/31 March 2025	–	1,575	377	–	–	–	1,952
Net carrying amount							
At 31 March 2025	28,547	17,567	10,213	2,484	14,192	1,600	74,603

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Group 2024	Buildings RM'000	Plant and machinery, air- conditioners, factory equipment and electrical installation RM'000	Renovation, furniture and fittings and office equipment RM'000	Motor vehicles RM'000	Right- of-use assets RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 April 2023	47,627	39,896	30,043	4,683	22,053	32	144,334
Additions	143	2,843	2,130	790	1,448	-	7,354
Disposals	-	(349)	(818)	(545)	-	-	(1,712)
Written off	-	(32)	(292)	-	-	(32)	(356)
Derecognition	-	-	-	-	(2,367)	-	(2,367)
Reclassification	797	(797)	-	-	-	-	-
Exchange differences	1,322	1,350	724	111	987	-	4,494
At 31 March 2024	49,889	42,911	31,787	5,039	22,121	-	151,747
Accumulated depreciation							
At 1 April 2023	14,277	22,320	24,366	2,300	4,456	-	67,719
Depreciation charge for the financial year (Note 28)	2,250	2,636	1,183	721	2,760	-	9,550
Disposals	-	(239)	(732)	(382)	-	-	(1,353)
Written off	-	(5)	(59)	-	-	-	(64)
Derecognition	-	-	-	-	(1,842)	-	(1,842)
Reclassification	444	(444)	-	-	-	-	-
Exchange differences	262	618	471	84	227	-	1,662
At 31 March 2024	17,233	24,886	25,229	2,723	5,601	-	75,672
Accumulated impairment losses							
At 1 April 2023/31 March 2024	-	1,575	377	-	-	-	1,952
Net carrying amount							
At 31 March 2024	32,656	16,450	6,181	2,316	16,520	-	74,123

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Company 2025	Air- conditioners RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 April 2024	39	11	143	963	1,156
Additions	–	–	13	131	144
Disposals	–	–	(7)	–	(7)
Written off	–	–	(9)	–	(9)
At 31 March 2025	39	11	140	1,094	1,284
Accumulated depreciation					
At 1 April 2024	37	2	102	229	370
Depreciation charge for the financial year (Note 28)	–*	2	15	215	232
Disposals	–	–	(7)	–	(7)
Written off	–	–	(4)	–	(4)
At 31 March 2025	37	4	106	444	591
Net carrying amount					
At 31 March 2025	2	7	34	650	693

* represents depreciation charge during the year of RM148.

Company 2024	Air- conditioners RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 April 2023	37	11	152	820	1,020
Additions	2	–	9	191	202
Disposals	–	–	(5)	(48)	(53)
Written off	–	–	(13)	–	(13)
At 31 March 2024	39	11	143	963	1,156
Accumulated depreciation					
At 1 April 2023	37	1	99	86	223
Depreciation charge for the financial year (Note 28)	–*	1	19	188	208
Disposals	–	–	(3)	(45)	(48)
Written off	–	–	(13)	–	(13)
At 31 March 2024	37	2	102	229	370
Net carrying amount					
At 31 March 2024	2	9	41	734	786

* represents depreciation charge of RM111.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM15,579,000 (2024: RM7,354,000) and RM144,000 (2024: RM202,000) respectively which are satisfied by the following:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Lease arrangements	1,499	1,616	131	168
Cash payments	14,080	5,738	13	34
	15,579	7,354	144	202

- (b) The Group lease several assets including land use rights and premises.

	Land use rights RM'000	Land RM'000	Premises RM'000	Total RM'000
Group				
Carrying amount				
1 April 2024	7,013	6,634	2,873	16,520
Additions	–	–	1,368	1,368
Depreciation	(157)	(134)	(2,425)	(2,716)
Exchange differences	(430)	(405)	(145)	(980)
At 31 March 2025	6,426	6,095	1,671	14,192

	Land use rights RM'000	Land RM'000	Premises RM'000	Total RM'000
Group				
Carrying amount				
1 April 2023	7,067	6,344	4,186	17,597
Additions	–	–	1,448	1,448
Depreciation	(164)	(138)	(2,458)	(2,760)
Derecognition	–	–	(525)	(525)
Exchange differences	110	428	222	760
At 31 March 2024	7,013	6,634	2,873	16,520

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTIES

	Group	
	2025 RM'000	2024 RM'000
At cost		
At beginning of the financial year	22,402	21,594
Additions	–	9
Exchange differences	(2,660)	799
At end of the financial year	19,742	22,402
Accumulated depreciation		
At beginning of the financial year	6,714	5,572
Depreciation charge during the financial year (Note 28)	875	915
Exchange differences	(1,752)	227
At end of the financial year	5,837	6,714
Carrying amount	13,905	15,688

(a) The following are recognised in the profit or loss in respect of investment properties:

	Group	
	2025 RM'000	2024 RM'000
Rental income	1,037	1,273
Direct operating expenses	(348)	(369)

Fair value information

The fair value of investment properties of the Group is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Freehold buildings	–	–	3,172	3,172
Leasehold building	–	–	8,089	8,089
Leasehold office lot	–	–	22,735	22,735
	–	–	33,996	33,996
2024				
Freehold buildings	–	–	2,986	2,986
Leasehold building	–	–	8,619	8,619
Leasehold office lot	–	–	26,450	26,450
	–	–	38,055	38,055

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTIES (CONT'D)

Fair value information (Cont'd)

The valuation of Level 3 of certain investment properties of the Group as at 31 March 2025 and 31 March 2024 were determined by directors' estimation based on indicative market price of similar properties in the vicinity.

There are no Level 1 investment properties during the financial years ended 31 March 2025 and 31 March 2024. There was no transfer between Level 2 and Level 3 during the financial years ended 31 March 2025 and 31 March 2024.

7. INTANGIBLE ASSETS

	Goodwill RM'000	Trademark RM'000	Total RM'000
Group Cost			
At 1 April 2023	1,250	14	1,264
Exchange differences	–	1	1
At 31 March 2024	1,250	15	1,265
Exchange differences	–	(1)	(1)
At 31 March 2025	1,250	14	1,264
Accumulated amortisation and impairment losses			
At 1 April 2023	(1,250)	–	(1,250)
Amortisation charge for the financial year (Note 28)	–	(4)	(4)
Exchange differences	–	(1)	(1)
At 31 March 2024	(1,250)	(5)	(1,255)
Amortisation charge for the financial year (Note 28)	–	(1)	(1)
Exchange differences	–	–	–
At 31 March 2025	(1,250)	(6)	(1,256)
Carrying amount			
At 31 March 2025	–	8	8
At 31 March 2024	–	10	10

The trademark relates to “La Prima” brand name with logo for the Group. An amortisation amounting to RM1,000 has been recognised during the financial year based on estimated useful life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost		
At beginning of the financial year	103,207	90,135
Additions	1,290	18,000
Disposals	(24,803)	(1,615)
Strike off	(20,916)	–
Voluntary winding up	–	(3,313)
At end of the financial year	58,778	103,207
Equity contribution in respect of ESOS	111	6
	111	6
Less: Accumulated impairment losses		
At beginning of the financial year	(41,984)	(44,792)
Impairment losses during the financial year (Note 28)	(1,200)	(2,120)
Disposals	185	1,615
Strike off	20,916	–
Voluntary winding up	–	3,313
At end of the financial year	(22,083)	(41,984)
	36,806	61,229

During the financial year, an impairment loss of RM1,200,000 (2024: RM2,120,000) is provided for in the cost of investment in subsidiaries as the carrying amount of the cost of investment in the subsidiaries are higher than their recoverable amounts.

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2025	2024
Subsidiaries of the Company				
La Prima Medtech Sdn. Bhd.	Malaysia	Research and development, manufacturing, import and export of medical and healthcare products	100	100
Keza Sdn. Bhd.	Malaysia	Investment holding	100	100
Mega Labels & Stickers Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100
PCCS Garments Limited@	Cambodia	Temporarily ceased operations	–	100
JIT Textiles Limited^	Cambodia	Temporarily ceased operations	100	100
Perfect Seamless Garments (Cambodia) Limited**	Cambodia	Manufacturing of seamless bond and silk screen products	–	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2025	2024
PCCS Garments (Suzhou) Ltd.*	The People's Republic of China	Manufacturing and sale of apparels	–	100
Beauty Apparels (Cambodia) Ltd.@	Cambodia	Temporarily ceased operations	–	100
PCCS (Hong Kong) Limited*	Hong Kong	Manufacturing and trading of garments	100	100
Thirty Three (Hong Kong) Limited	Hong Kong	Investment holding	100	100
La Prima Medicare Pte. Ltd.*	Singapore	Wholesale of medical, professional, scientific and precision equipment.	70	70
Southern Auto Capital Sdn. Bhd.	Malaysia	Financial leasing activities	100	95
Southern Capital Group Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	–
Beauty Silk Screen (M) Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	100
Subsidiary of Beauty Silk Screen (M) Sdn. Bhd.				
Beauty Silk Screen Limited**	Cambodia	Manufacturing of embroidery, sublimation and silk screen products	100	100
Subsidiary of Thirty Three (Hong Kong) Limited				
Thirty Three (Shanghai) Limited*	The People's Republic of China	Trading of brand apparels and provide design service	100	100
Subsidiary of Mega Labels & Stickers Sdn. Bhd.				
Mega Labels & Stickers (Cambodia) Co., Ltd.**	Cambodia	Trading of labels and stickers	100	100
Subsidiaries of Keza Sdn. Bhd.				
Keza (Cambodia) Limited^	Cambodia	Temporarily ceased operations	100	100
Wan He Da Manufacturing Company Limited**	Cambodia	Provision of garment manufacturing and services	–	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Principal activities	Effective equity interest (%)	
			2025	2024
Subsidiaries of PCCS (Hong Kong) Limited				
Kezanova Sdn. Bhd.^	Malaysia	Investment holding and provision of marketing services	100	–
Wan He Da Manufacturing Company Limited**	Cambodia	Provision of garment manufacturing and services	100	–
Perfect Seamless Garments (Cambodia) Limited**	Cambodia	Manufacturing of seamless bond and silk screen products	100	–
PCCS Garments (Suzhou) Ltd.*	The People's Republic of China	Manufacturing and sale of apparels	100	–
Subsidiary of PCCS Garments (Suzhou) Ltd.				
PCCS Garments (Shandong) Ltd.*	The People's Republic of China	Manufacturing and sale of apparels	51	51
Subsidiary of Wan He Da Manufacturing Company Limited				
Thirty Three Apparels (Cambodia) Co., Ltd.**	Cambodia	Provision of garment manufacturing and services	100	100

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

** Audited by an independent member firm of Baker Tilly International.

[^] Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.

@ The subsidiary is consolidated using unaudited management financial statements as it was struck off during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

2025

(a) Changes in ownership interests

- (i) On 16 July 2024, the Company acquired additional 1,200,000 ordinary shares representing remaining 5% equity interest in Southern Auto Capital Sdn. Bhd. ("**SAC**") for a total cash consideration of RM1,290,000. The Company's ownership interest in SAC increased from 95% to 100% as a result of the additional shares purchased.

Effect of the increase in the Company's ownership interest is as follows:

	2025 RM'000
Fair value of consideration transferred	1,290
Increase in share of net assets	(1,307)
Excess charged directly to equity	(17)

- (ii) On 3 June 2024, the Company had disposed of its entire equity interest in PCCS Garments (Suzhou) Ltd. ("**SGL**") for a total cash consideration of RM26,280,000 to its wholly-owned subsidiary, PCCS (Hong Kong) Limited.
- (iii) On 13 June 2024, the Company had disposed of its entire equity interest in Perfect Seamless Garments (Cambodia) Limited ("**PSG**") for a total cash consideration of RM4,480,000 to its wholly-owned subsidiary, PCCS (Hong Kong) Limited.
- (iv) On 13 June 2024, Keza Sdn. Bhd., the wholly-owned subsidiary of the Company disposed of its entire equity interest in Wan He Da Manufacturing Company Limited ("**WHD**") for a total cash consideration of RM9,856,000 to its wholly-owned subsidiary, PCCS (Hong Kong) Limited.

(b) Striking off of subsidiaries

On 31 March 2025, the Company's wholly-owned subsidiaries, PCCS Garments Limited and Beauty Apparel (Cambodia) Ltd. had been struck off.

(c) Incorporation of subsidiaries

- (i) On 4 September 2024, the Company incorporated a wholly-owned subsidiary, namely Southern Capital Group Sdn. Bhd. with an issued and paid-up share capital of 100 ordinary shares of RM1 each.
- (ii) On 21 March 2025, a wholly-owned subsidiary of the Company, PCCS (Hong Kong) Limited incorporated a wholly-owned subsidiary, namely Kezanova Sdn. Bhd. with an issued and paid-up share capital of 100 ordinary shares of RM1 each.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

2024

- (d) On 1 June 2023, the Company has subscribed for additional 18,800,000 ordinary shares, representing additional 15% equity interest in the share capital of a subsidiary, Southern Auto Capital Sdn. Bhd. ("SAC") by way of:
- (i) capitalising the amount owing by a subsidiary of RM18,000,000; and
 - (ii) bonus issue of 800,000 new ordinary shares in SAC on the basis of one bonus share for every five existing ordinary shares held.

Upon the subscription, the equity interest of the Company in SAC has increased from 80% to 95%.

- (e) On 21 August 2023, a subsidiary of the Company, PCCS Garments (Suzhou) Ltd. and non- controlling interests of PCCS Garments (Shandong) Ltd. ("SDL") further injected RM4,243,000 and RM4,080,000 respectively to SDL for working capital purposes.

(f) **Disposal of a subsidiary**

On 17 January 2024, the Company had disposed of its entire equity investment in Thirty Three Trading Sdn. Bhd. ("TTSB") for a total cash consideration of RM2. Consequently, the Company incurred a gain on disposal of a subsidiary of RM2 and net cash inflow of RM2.

(g) **Voluntary winding up**

On 20 March 2024, the Company's wholly owned subsidiary, Beauty Electronic Embroidering Centre Sdn. Bhd. had been voluntarily wound up from the Companies Commission of Malaysia ("CCM").

(h) **Non-controlling interests ("NCI") in subsidiaries**

The financial information of the Group's and the Company's subsidiaries that have material NCI are as follows:

Equity interest held by NCI:

Name of company	Country of incorporation	Equity interest	
		2025 %	2024 %
PCCS Garments (Shandong) Ltd.	China	49	49
La Prima Medicare Pte. Ltd.	Singapore	30	30
Southern Auto Capital Sdn. Bhd.	Malaysia	–	5

	PCCS Garments (Shandong) Ltd. RM'000	La Prima Medtech Pte. Ltd. RM'000	Southern Auto Capital Sdn. Bhd. RM'000	Total RM'000
2025				
NCI percentage of ownership				
interest and voting interest	49%	30%	0%	
Carrying amount of NCI	1,558	(117)	–	1,441
(Loss)/Profit allocated to NCI	(1,050)	117	15	(918)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(h) NCI in subsidiaries (Cont'd)

2024	PCCS Garments (Shandong) Ltd. RM'000	La Prima Medtech Pte. Ltd. RM'000	Southern Auto Capital Sdn. Bhd. RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	49%	30%	5%	
Carrying amount of NCI	2,721	(247)	1,291	3,765
(Loss)/Profit allocated to NCI	(1,559)	(1,186)	115	(2,630)

(i) Summarised financial information of material NCI

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material NCI are as follows:

	PCCS Garments (Shandong) Ltd. RM'000	La Prima Medtech Pte. Ltd. RM'000	Total RM'000
Summarised statements of financial position			
As at 31 March 2025			
Non-current assets	19,211	8	19,219
Current assets	5,434	788	6,222
Current liabilities	(22,718)	(1,183)	(23,901)
	1,927	(387)	1,540
Summarised statements of comprehensive income			
Financial year ended 31 March 2025			
Revenue	17,871	1,464	19,335
(Loss)/Profit for the financial year representing total comprehensive (loss)/income	(2,144)	392	(1,752)
Summarised cash flow information			
Financial year ended 31 March 2025			
Net cash flows from operating activities	153	328	481
Net cash flows used in investing activities	(82)	–	(82)
Net cash flows used in financing activities	–	(425)	(425)
Net increase/(decrease) in cash and cash equivalent	71	(97)	(26)
Dividends paid to NCI	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(i) **Summarised financial information of material NCI (Cont'd)**

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material NCI are as follows (Cont'd):

	PCCS Garments (Shandong) Ltd. RM'000	La Prima Medtech Pte. Ltd. RM'000	Southern Auto Capital Sdn. Bhd. RM'000	Total RM'000
Summarised statements of financial position				
As at 31 March 2024				
Non-current assets	22,962	10	34,713	57,685
Current assets	6,187	1,229	9,196	16,612
Non-current liabilities	–	–	(12,366)	(12,366)
Current liabilities	(24,847)	(2,061)	(6,208)	(33,116)
	4,302	(822)	25,335	28,815
Summarised statements of comprehensive income				
Financial year ended 31 March 2024				
Revenue	18,528	323	9,303	28,154
(Loss)/Profit for the financial year representing total comprehensive (loss)/income	(3,183)	(3,953)	1,829	(5,307)
Summarised cash flow information				
Financial year ended 31 March 2024				
Net cash flows used in operating activities	(7,630)	(2,914)	(5,258)	(15,802)
Net cash flows from/(used in) investing activities	61	1	(1,256)	(1,194)
Net cash flows from financing activities	8,450	1,110	6,563	16,123
Net increase/(decrease) in cash and cash equivalent	881	(1,803)	49	(873)
Dividends paid to NCI	–	–	25	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. LEASE RECEIVABLES

	Group 2025 RM'000	2024 RM'000
Gross lease receivables		
- not later than 1 year	19,785	16,377
- later than 1 year but not later than 5 years	44,061	44,558
- later than 5 years	2,825	3,248
	46,886	47,806
Less: Unearned lease interest income	66,671 (17,226)	64,183 (18,311)
Net lease receivables	49,445	45,872
Less: Allowance for impairment losses	(6,714)	(4,361)
	42,731	41,511
Receivables are as follows:		
Current:		
- not later than 1 year	10,202	8,088
Non-current:		
- later than 1 year but not later than 5 years	30,100	30,625
- later than 5 years	2,429	2,798
	32,529	33,423
	42,731	41,511

- (a) The credit terms of lease receivables of the Group are in accordance with the repayment schedules as contained in the lease agreements.
- (b) The effective interest rates of the leases ranging from 15.71% to 18.17% (2024:16.68% to 18.17%) per annum.
- (c) Certain lease agreements of lease receivables with a carrying amounts of RM8,269,035 (2024: RM9,190,420) are assigned to licensed bank for block discounting facilities as disclosed in Note 20(e) to the financial statements.
- (d) The Group's lease receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of lease receivables are as follows:

	Group 2025 RM'000	2024 RM'000
At the beginning of the financial year	4,361	2,160
Charge for the financial year		
- Individually assessed	2,743	2,906
- Collectively assessed	1,555	1,185
Written off	(1,945)	(1,890)
At the end of the financial year	6,714	4,361

The information about the credit exposures are disclosed in Note 35(b)(iv).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
At lower of cost and net realisable value		
Raw materials	84,543	77,755
Work-in-progress	7,161	7,641
Finished goods	13,851	20,537
	105,555	105,933

Recognised in profit or loss:

	Group	
	2025 RM'000	2024 RM'000
Inventories recognised as cost of sales	327,929	301,309
Inventories written down	11	74

The inventories written down are in respect of stock obsolescence.

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:					
Trade					
External party	(a)	326	–	–	–
Non-trade					
Amount owing by a subsidiary	(b)	–	–	5,634	7,999
Total trade and other receivables (non-current)		326	–	5,634	7,999

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current:					
Trade					
External parties		72,373	54,996	–	–
Less: Impairment losses		(310)	(324)	–	–
	(a)	72,063	54,672	–	–
Non-trade					
Amounts owing by subsidiaries	(b)	–	–	64,600	50,201
Other receivables	(d)	757	1,412	8	–
Deposits		1,192	1,791	30	25
		1,949	3,203	64,638	50,226
Less: Impairment losses	(c)	–	(629)	(13,864)	(24,871)
		1,949	2,574	50,774	25,355
Total trade and other receivables (current)		74,012	57,246	50,774	25,355
Total trade and other receivables (non-current and current)		74,338	57,246	56,408	33,354

(a) Trade receivables

The receivables are non-interest bearing and normal credit terms offered by the Group range from 15 to 120 days (2024: 15 to 120 days) from the date of invoices, except for money lending business with credit terms granted up to a period of 36 months and subject to interest rate of 12% per annum. Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The Group's and the Company's trade and other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade and other receivables are as follows:

Trade receivables

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	324	100
Charge for financial year		
- Individually assessed	6	214
Exchange difference	(20)	10
At end of the financial year	310	324

The information about the credit exposures are disclosed in Note 35(b)(iv).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (b) Amounts owing by subsidiaries represent advances which are unsecured, interest-free, repayable on demand and are expected to be settled in cash and cash equivalents.

Included in current and non-current of amounts owing by subsidiaries is an amount of RM7,999,000 (2024: RM10,172,000) which is unsecured, subject to interest at a rate of 8.5% (2024: 8.5%) per annum, repayable on demand and is expected to be settled in cash and cash equivalents.

- (c) The Group's and the Company's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

Other receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the financial year	629	589	24,871	23,882
Charge for financial year				
- Individually assessed	-	-	-	1,096
Reversal of impairment loss	-	-	(293)	(107)
Written off	(629)	-	(10,714)	-
Exchange difference	-	40	-	-
At end of the financial year	-	629	13,864	24,871

- (d) Included in other receivables is an amount of RM183,000 (2024: RM195,000) owing by a related party in which a director of the Company and a director of subsidiaries have substantial financial interests.

12. CONTRACT ASSETS

	2025 RM'000	2024 RM'000
Group		
Contract assets relating to cut, make and trim ("CMT") contracts	7,363	4,400

Significant changes in contract balances

	2025 Contract assets increase/(decrease) RM'000	2024 Contract assets increase/(decrease) RM'000
Group		
Increase due to revenue recognised for unbilled goods	7,363	4,400
Transfers from contract assets recognised at the beginning of the period to receivables	(4,400)	(1,868)

The contract assets represent the Group's rights to consideration for the services rendered but yet to be billed. Contract assets are transferred to receivables when the Group issue invoices to the customers. Typically, the amount will be billed within 2 to 122 days and payments are expected within 1 to 77 days.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. OTHER CURRENT ASSETS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Prepayments	4,757	1,539	46	42
Value added tax recoverable	5,232	4,049	–	–
Advances to suppliers	703	934	–	–
	10,692	6,522	46	42

14. TAX ASSETS

This is in respect of tax recoverable from the Inland Revenue Board.

15. SHORT-TERM FUNDS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
Short-term cash investments				
- Money market funds	2,013	4,357	1	693

Short-term funds are funds invested in money market which is managed by investment bank and is redeemable at any point in time.

It is an integral part of the Group's and the Company's capital management as disclosed in Note 38.

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	27,604	36,420	1,090	2,556
Deposits placed with licensed banks	12,992	8,951	8,422	948
	40,596	45,371	9,512	3,504

The deposits placed with licensed banks bear interests at rates ranging from 0.85% to 5.47% (2024: 2.10% to 3.10%) and mature within 3 months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. SHARE CAPITAL

	Group/Company		Amounts	
	Number of ordinary shares			
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
Issued and fully paid (no par value):				
At the beginning/end of the financial year	223,021	223,021	91,453	91,453

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18. TREASURY SHARES

	Group/Company		Amounts	
	Number of treasury shares			
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
At the beginning/end of the financial year	2,431	2,431	1,161	1,161

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 26 August 2024, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company believe that the repurchase plan is applied in the best interests of the Company and its shareholders. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There were no resale, cancellation or distribution of treasury shares during the financial year.

19. OTHER RESERVES

(a) Foreign exchange reserve

The foreign exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Legal reserve fund

This represents a general reserve provided for in respect of subsidiaries incorporated in Cambodia and The People's Republic of China.

Under the Company Statute of subsidiaries in Cambodia, 5% of the net profit after tax in each financial year must be credited to this reserve, until it reaches 10% of the paid up capital.

In The People's Republic of China, a portion of the profit must be credited to this reserve, until the amount of reserve funds equals to 50% of the registered capital of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. OTHER RESERVES (CONT'D)

(c) Share option reserve

The share option reserve comprises the cumulative value of services received from directors and employees for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Share options are granted to eligible directors and employees. The options granted are vested immediately and settlement is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is two years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

The details of the options over ordinary shares of the Company are as follows:

Option price	Balance as at 1.4.2024	Granted	Exercised	Lapsed	Balance as at 31.3.2025	Exercisable as at 31.3.2025
RM0.39	300,000	–	–	(40,000)	260,000	260,000
RM0.36	–	1,308,850	–	–	1,308,850	1,308,850
	300,000	1,308,850	–	(40,000)	1,568,850	1,568,850

Option price	Balance as at 1.4.2023	Granted	Exercised	Lapsed	Balance as at 31.3.2024	Exercisable as at 31.3.2024
RM0.46	420,000	–	–	(420,000)	–	–
RM0.39	300,000	–	–	–	300,000	300,000
	720,000	–	–	(420,000)	300,000	300,000

The options outstanding at 31 March 2025 have exercise prices of RM0.36 to RM0.39 (2024: RM0.39) and the weighted average remaining contractual life for the share options outstanding as at 31 March 2025 was 3.97 years (2024: 1.12 years).

The fair value of the share options granted were determined using a binomial option pricing model, and the inputs were:

	Granted in	
	2025	2023
Fair value of share options and assumptions		
Weighted average fair value of share option at grant date (RM)	RM0.2215	RM0.1314
Weighted average share price (RM)	0.43	0.43
Option life (years)	3	3
Risk-free rate (%)	3.77	3.59
Expected dividends (%)	None	None
Expected volatility (%)	47.30	45.53

The expected volatility reflected the assumption that the historical volatility was an indicative of future trends, which may also not necessarily be the actual outcome.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. LOANS AND BORROWINGS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Secured:				
Block discounting borrowings (Note 20(e))	7,255	4,367	–	–
Hire purchase payables (Note 20(f))	405	470	405	470
Unsecured:				
Lease liabilities (Note 20(d))	7,128	7,529	–	–
	14,788	12,366	405	470
Current				
Secured:				
Bill financing	24,900	26,100	–	–
Block discounting borrowings (Note 20(e))	2,705	1,266	–	–
Hire purchase payables (Note 20(f))	180	146	180	146
Trust receipts	9,943	17,302	–	–
Revolving credits	3,130	–	–	–
Unsecured:				
Lease liabilities (Note 20(d))	1,034	2,214	–	–
Revolving credits	18,123	19,422	–	–
	60,015	66,450	180	146
Total loans and borrowings				
Bill financing	24,900	26,100	–	–
Block discounting borrowings (Note 20(e))	9,960	5,633	–	–
Hire purchase payables (Note 20(f))	585	616	585	616
Lease liabilities (Note 20(d))	8,162	9,743	–	–
Revolving credits	21,253	19,422	–	–
Trust receipts	9,943	17,302	–	–
	74,803	78,816	585	616

(a) Lease liabilities are secured by charges over certain plant and machinery as disclosed in Note 5(b).

(b) Bill financing, trust receipts and revolving credits are secured by way of corporate guarantee from the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. LOANS AND BORROWINGS (CONT'D)

(c) The interest rates of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Bill financing	6.48%	2.25%	—	—
Block discounting borrowings	3.47% - 4.45%	3.47% - 4.19%	—	—
Hire purchase payables	2.43% - 3.50%	2.45% - 3.50%	2.43% - 3.50%	2.45% - 3.50%
Lease liabilities	2.75% - 8.75%	2.75% - 8.00%	—	—
Revolving credits	3.60% - 3.70%	3.65% - 4.15%	—	—
Trust receipts	3.25% - 3.70%	2.00% - 3.95%	—	—

(d) Lease liabilities

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Minimum lease payments		
Not later than 1 year	1,617	2,622
Later than 1 year and not later than 5 years	2,768	2,854
Later than 5 years	22,018	24,024
	26,403	29,500
Less: Future finance charges	(18,241)	(19,757)
Present value of minimum lease payments	8,162	9,743
Present value of minimum lease payments		
Not later than 1 year	1,034	2,214
Later than 1 year and not later than 5 years	684	644
Later than 5 years	6,444	6,885
	8,162	9,743
Less: Amounts due within 12 months	(1,034)	(2,214)
Amounts due after 12 months	7,128	7,529

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. LOANS AND BORROWINGS (CONT'D)

(e) Block discounting borrowings

	2025 RM'000	Group 2024 RM'000
Gross block discounting borrowings:		
Not later than 1 year	3,381	1,655
Later than 1 year and not later than 5 years	8,007	4,891
	11,388	6,546
Less: Undue block discounting interest expense	(1,428)	(913)
Net block discounting borrowings	9,960	5,633
Repayable as follows:		
Current liabilities		
Not later than 1 year	2,705	1,266
Non-current liabilities		
Later than 1 year and not later than 5 years	7,255	4,367
	9,960	5,633

- (i) Block discounting borrowings of the Group are secured by:
- the assignments of certain lease agreements as disclosed in Note 9(c);
 - assignment of Hire-Purchase/Non-Act/Lease Agreement through the power of attorney in favour of a financial institution;
 - sinking fund of 10% of each block discounting drawdown amount to be built-up progressively up to RM1 million (10% of the block discounting of RM10 million) in the Company's account maintained with a financial institution; and
 - corporate guarantee by the Company.
- (ii) The tenure of the block discounting borrowings of the Group are repayable by equal monthly instalments of 30 to 60 months.

(f) Hire purchase payables

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	Group/Company 2025 RM'000	2024 RM'000
Minimum lease payments		
Not later than 1 year	205	174
Later than 1 year but not later than 5 years	427	506
	632	680
Less: Future finance charges	(47)	(64)
Present value of minimum lease payments	585	616

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. LOANS AND BORROWINGS (CONT'D)

(f) Hire purchase payables (Cont'd)

Future minimum lease payments together with the present value of the net minimum lease payments are as follows (Cont'd):

	Group/Company	
	2025	2024
	RM'000	RM'000
Present value of minimum lease payments		
Not later than 1 year	180	146
Later than 1 year but not later than 5 years	405	470
	585	616
Less: Amounts due within 12 months	(180)	(146)
Amounts due after 12 months	405	470

21. DEFERRED TAX ASSETS

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	2,440	614
Recognised in profit or loss (Note 30)	1,332	1,807
Exchange differences	(85)	19
At end of the financial year	3,687	2,440

(a) Presented after appropriate off-setting as follows:

	Group	
	2025	2024
	RM'000	RM'000
Deferred tax assets	3,715	3,743
Deferred tax liabilities	(28)	(1,303)
	3,687	2,440

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. DEFERRED TAX ASSETS (CONT'D)

- (b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group	
	2025 RM'000	2024 RM'000
Deferred tax assets		
Unutilised tax losses	1,811	1,136
Unabsorbed capital allowance	—	1,265
Others	1,904	1,342
	3,715	3,743
Deferred tax liabilities		
Difference between the carrying amount of property, plant and equipment and their tax base	(28)	(1,303)
	3,687	2,440

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

- (c) The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unutilised tax losses	7,539	7,002	150	150
Unabsorbed capital allowance	307	186	—	—
Others	(97)	(10)	—	—
	7,749	7,178	150	150
Potential deferred tax assets not not recognised at 24%	1,860	1,723	36	36

The availability of unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses in Malaysia are available for offset against future taxable profits of the Group and the Company which will expire in the following financial years:

	Group 2025 RM'000	Company 2025 RM'000
Malaysia		
2028	3,079	150
2029	296	—
2032	574	—
2033	1,153	—
2034	1,013	—
2035	1,424	—
	7,539	150

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current:					
Trade					
Third parties	(a)	79,278	58,059	–	–
Non-trade					
Amounts owing to directors	(b)	3,892	4,195	–	–
Amounts owing to related parties	(c)	5,622	6,055	–	–
Amount owing to a subsidiary	(b)	–	–	21	–
Accruals		14,075	15,376	712	684
Deposits		43	50	–	–
Other payables		20,696	18,835	4,698	5,020
		44,328	44,511	5,431	5,704
Total trade and other payables		123,606	102,570	5,431	5,704

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2024: 30 to 90 days).
- (b) The amounts owing to directors and a subsidiary are non-trade in nature, interest free and repayable on demand in cash and cash equivalents.
- (c) The amounts owing to related parties in which the directors of subsidiaries have financial interest are non-trade in nature, interest free and repayable on demand in cash and cash equivalents.

23. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract customers:				
At a point in time:				
- Sales of goods	538,102	368,537	–	–
- Others	824	1,164	–	–
	538,926	369,701	–	–
Revenue from other source:				
- Lease interest income	8,275	7,747	–	–
- Others	569	399	–	–
- Dividend income	–	–	4,481	1,914
	8,844	8,146	4,481	1,914
	547,770	377,847	4,481	1,914

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. COST OF SALES

Cost of sales represent cost of inventories sold and other costs.

25. OTHER INCOME

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	14	5	–	–
Gain on foreign exchange				
- realised	3,235	2,279	–	1,268
- unrealised	–	3,997	–	435
Gain on lease modification	–	28	–	–
Gain on disposal of property, plant and equipment	–	–	–	15
Gain on disposal of subsidiaries	–	–*	6,142	–*
Government grant	812	193	–	–
Fair value gain on short-term funds	88	118	2	7
Rental income	749	1,271	–	–
Sales of materials	348	955	–	–
Income distribution from short-term funds	27	65	6	26
Waiver of debts	–	3	–	–
Others	1,194	1,205	–	29
	6,467	10,119	6,150	1,780

* represents gain on disposal of subsidiary of RM2.

26. FINANCE INCOME

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest income	968	1,079	214	506
Interest income from a subsidiary	–	–	774	1,103
	968	1,079	988	1,609

27. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- loans and borrowings	7,580	4,581	33	33
- lease liabilities	679	774	–	–
	8,259	5,355	33	33

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration - statutory audit					
- Baker Tilly Monteiro Heng PLT		164	149	124	114
- Member firms of Baker Tilly International		185	176	—	—
- Other auditors		112	125	—	—
Other services					
- Baker Tilly Monteiro Heng PLT		5	5	5	5
- Member firms of Baker Tilly International		116	43	5	4
- Other auditors		19	—	—	—
Bad debts written off		—	—	—	19
Depreciation and amortisation:					
- property, plant and equipment	5	9,945	9,550	232	208
- investment properties	6	875	915	—	—
- intangible assets	7	1	4	—	—
Employee benefits expense	29	122,446	109,233	2,055	1,593
Expenses relating to:					
- short-term leases		755	897	120	120
- low value assets		700	457	—	—
Inventories written down		11	74	—	—
Loss on disposal of property, plant and equipment		93	97	—	—
Loss on foreign exchange					
- realised		—	—	880	—
- unrealised		7,315	—	208	—
Net impairment losses/(reversal of impairment losses) on:					
- lease receivables		4,298	4,091	—	—
- trade and other receivables		6	214	—	—
- investment in subsidiaries	8	—	—	1,200	2,120
- amounts owing by subsidiaries		—	—	(293)	989
Property, plant and equipment written off	5	155	292	5	—*

* represents written off of property, plant and equipment of RM421.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, wages and bonus	110,092	100,775	1,592	1,441
Defined contribution plan	4,674	3,654	121	104
Other staff related expenses	7,390	4,804	163	48
Share-based payments	290	–	179	–
	122,446	109,233	2,055	1,593

Included in employee benefits expense are:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company				
Executive directors:				
- fees	156	165	156	165
- other emoluments	1,129	1,159	–	–
- share-based payments	135	–	135	–
	1,420	1,324	291	165
Non-executive directors:				
- fees	384	352	384	352
- other emoluments	662	678	16	17
- share-based payments	–	–	–	–
	1,046	1,030	400	369
Total directors' remuneration	2,466	2,354	691	534

30. TAX EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current income tax:				
Current income tax charge				
- Malaysian income tax	1,493	1,346	199	210
- Foreign income tax	2,707	1,300	–	–
- (Over)/Under provision in prior financial years	(207)	(2)	7	(10)
	3,993	2,644	206	200
Deferred tax (Note 21):				
Reversal of temporary differences	(1,333)	(1,814)	–	–
Under provision in prior financial years	1	7	–	–
	(1,332)	(1,807)	–	–
Total tax expense recognised in profit or loss	2,661	837	206	200

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdictions.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) before tax	7,463	4,642	6,317	(639)
Tax at Malaysian statutory income tax rate of 24%	1,791	1,114	1,516	(153)
Effect of different tax rates in other countries	(1,274)	189	–	–
Income not subject to tax	(8,788)	(3,805)	(2,622)	(1,165)
Expenses not deductible for tax purposes	11,001	3,264	1,305	1,528
Utilisation of previously unrecognised deferred tax assets	(175)	(211)	–	–
Deferred tax assets not recognised during the financial year	312	281	–	–
(Over)/Under provision in prior financial years				
- income tax	(207)	(2)	7	(10)
- deferred tax	1	7	–	–
Tax expense	2,661	837	206	200

31. EARNINGS PER SHARE

- (a) Basic earnings per share amounts are based on profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year, calculated as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit attributable to the owners of the Company	5,720	6,435
Weighted average number of ordinary shares for basic earnings per share	223,021	223,021
Basic earnings per share (sen)	2.56	2.88

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. EARNINGS PER SHARE (CONT'D)

- (b) Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2025	2024
	RM'000	RM'000
Profit attributable to the owners of the Company	5,720	6,435
Weighted average number of ordinary shares for basic earnings per share	223,021	223,021
Effect of dilution from ESOS	128	16
Weighted average number of ordinary shares for diluted earnings per share	223,149	223,037
Diluted earnings per ordinary share (sen)	2.56	2.88

32. DIVIDENDS

	Company	
	2025	2024
	RM'000	RM'000
Second single-tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2024, paid on 5 July 2024	2,206	–
Single-tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2024, paid on 2 October 2023	–	2,206

33. CAPITAL COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2025	2024
	RM'000	RM'000
In respect of capital expenditure approved but not contracted for:		
- Property, plant and equipment	2,523	254

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. RELATED PARTIES

(a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group and the Company include:

- (i) Subsidiaries;
- (ii) Entities in which certain directors have substantial financial interests; and
- (iii) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries are as follows:				
Dividend received	–	–	(4,481)	(1,914)
Interest income	–	–	(774)	(1,103)
Transactions with related parties are as follows:				
Purchase of goods and services	–	575	–	–
Purchase of property, plant and equipment	–	110	–	–
Rental expense	686	808	120	90

(c) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

Compensation of key management personnel which includes directors' remuneration as disclosed in Note 29 are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Short-term employees benefits	4,665	3,971	556	534
Post-employment benefit	–	16	–	–
Share-based payments	135	–	135	–
	4,800	3,987	691	534

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost ("AC")
- (ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM'000	AC RM'000	FVPL RM'000
At 31 March 2025			
Financial assets			
Group			
Lease receivables	42,731	42,731	–
Trade and other receivables	74,338	74,338	–
Short-term funds	2,013	–	2,013
Deposits, cash and bank balances	40,596	40,596	–
	159,678	157,665	2,013
Company			
Trade and other receivables	56,408	56,408	–
Short-term funds	1	–	1
Deposits, cash and bank balances	9,512	9,512	–
	65,921	65,920	1
Financial liabilities			
Group			
Trade and other payables	123,606	123,606	–
Loans and borrowings, excluding lease liabilities	66,641	66,641	–
	190,247	190,247	–
Company			
Trade and other payables	5,431	5,431	–
Loans and borrowings	585	585	–
	6,016	6,016	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Cont'd)

	Carrying amount RM'000	AC RM'000	FVPL RM'000
At 31 March 2024			
Financial assets			
Group			
Lease receivables	41,511	41,511	–
Trade and other receivables	57,246	57,246	–
Short-term funds	4,357	–	4,357
Deposits, cash and bank balances	45,371	45,371	–
	148,485	144,128	4,357
Company			
Trade and other receivables	33,354	33,354	–
Short-term funds	693	–	693
Deposits, cash and bank balances	3,504	3,504	–
	37,551	36,858	693
Financial liabilities			
Group			
Trade and other payables	102,570	102,570	–
Loans and borrowings, excluding lease liabilities	69,073	69,073	–
	171,643	171,643	–
Company			
Trade and other payables	5,704	5,704	–
Loans and borrowings	616	616	–
	6,320	6,320	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their interest rate risk, foreign exchange risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in deposits with licensed banks.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis

As at the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM51,000 (2024: RM52,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure to the risk of changes in foreign exchange rates relates primarily to the operating activities when revenue or expense is denominated in a foreign currency other than the functional currency of the operations to which they relate.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Cambodian Riel RM'000	United States Dollars RM'000	Hong Kong Dollars RM'000	Total RM'000
Functional Currency of the Group				
At 31 March 2025				
Ringgit Malaysia	–	9,851	–	9,851
Chinese Renminbi	–	4,927	–	4,927
United States Dollars	290	–	(123)	167
	290	14,778	(123)	14,945

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Foreign exchange risk (Cont'd)

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows: (Cont'd)

	Cambodian Riel RM'000	United States Dollars RM'000	Hong Kong Dollars RM'000	Total RM'000
Functional Currency of the Group				
At 31 March 2024				
Ringgit Malaysia	–	2,762	–	2,762
Chinese Renminbi	–	17,956	–	17,956
United States Dollars	137	–	–	137
Hong Kong Dollars	–	(45,915)	–	(45,915)
Singapore Dollars	–	104	–	104
	137	(25,093)	–	(24,956)
				United States Dollars RM'000
Functional Currency of the Company				
At 31 March 2025				
Ringgit Malaysia				9,122
At 31 March 2024				
Ringgit Malaysia				2,685

Sensitivity analysis

The following table illustrates the hypothetical sensitivity of the Group's and the Company's profit/(loss) before tax to a reasonably possible change in the USD, KHR and HKD exchange rates at the reporting date against the functional currency of the Group entities, with all other variables held constant.

		Effect on profit/(loss) before tax for the financial year			
		Group		Company	
Change in rate		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
USD/RM	+ 5%	493	138	456	134
	- 5%	(493)	(138)	(456)	(134)
USD/RMB	+ 5%	246	898	–	–
	- 5%	(246)	(898)	–	–
USD/HKD	+ 5%	–	(2,296)	–	–
	- 5%	–	2,296	–	–
USD/SGD	+ 5%	–	5	–	–
	- 5%	–	(5)	–	–
KHR/USD	+ 5%	15	7	–	–
	- 5%	(15)	(7)	–	–
HKD/USD	+ 5%	(6)	–	–	–
	- 5%	6	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Liquidity risk

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company are committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	On demand within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group					
2025					
Financial liabilities:					
Trade and other payables	123,606	123,606	–	–	123,606
Loans and borrowings	74,803	61,299	11,202	22,018	94,519
	198,409	184,905	11,202	22,018	218,125
2024					
Financial liabilities:					
Trade and other payables	102,570	102,570	–	–	102,570
Loans and borrowings	78,816	67,275	8,251	24,024	99,550
	181,386	169,845	8,251	24,024	202,120
		Carrying amount RM'000	On demand within 1 year RM'000	Between 1 and 5 years RM'000	Total RM'000
Company					
2025					
Financial liabilities:					
Trade and other payables		5,431	5,431	–	5,431
Hire purchase payables		585	205	427	632
Financial guarantee contracts		–	47,933	–	47,933
		6,016	53,569	427	53,996
2024					
Financial liabilities:					
Trade and other payables		5,704	5,704	–	5,704
Hire purchase payables		616	174	506	680
Financial guarantee contracts		–	49,035	–	49,035
		6,320	54,913	506	55,419

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk

The Group's and the Company's credit risk is primarily attributable to trade and other receivables. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policies that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's and the Company's exposure to bad debts is not significant.

The credit risk of the Group's and of the Company's other financial assets, which comprise deposit, cash and bank balances arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is a credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables and contract assets

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- An amount of RM47,933,000 (2024: RM49,035,000) relating to a corporate guarantee provided by the Company to bank for subsidiaries' loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile

At the reporting date, the Group has significant concentration of credit risk that may arise from exposure two (2024: two) customers who accounted for 70% (2024: 73%) of total trade receivables. The directors believe that this will not create significant credit risk for the Group in view of the length of relationship with these customers and the Group works closely with its customers to provide customer satisfaction through timely delivery and the provision of high quality products and services at competitive cost.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee provided.

The Group and the Company apply the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are as follows:

	Gross carrying amount at default RM'000
Group	
At 31 March 2025	
Contract assets	7,363
Trade receivables	
Current	65,909
1-30 days past due	6,067
31-60 days past due	113
61-90 days past due	181
91-120 days past due	7
More than 120 days past due	112
	72,389
Impaired - individually	310
	72,699
	80,062

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are as follows: (Cont'd)

	Gross carrying amount at default RM'000
Group	
At 31 March 2024	
Contract assets	4,400
Trade receivables	
Current	51,815
1-30 days past due	2,014
31-60 days past due	273
61-90 days past due	558
91-120 days past due	12
	54,672
Impaired - individually	324
	54,996
	59,396

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are disclosed in Note 11(a).

Other receivables and other financial assets

For other receivables and other financial assets (including deposits, cash and bank balances and short-term funds), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Lease receivables

The credit risk associated with lease receivables is mitigated by way of obtaining security over the leased equipment. At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

The following table provides information about the expected credit losses for lease receivables as at the end of the reporting period:

	Contractually Undue RM'000	Due RM'000	Gross carrying amount RM'000	Impaired - collectively RM'000	Impaired - individually RM'000	Net carrying amount RM'000
Group 31 March 2025						
Not pass due	25,181	–	25,181	(1,517)	–	23,664
Past due:						
- 1 to 90 days	19,146	1,144	20,290	(1,223)	–	19,067
- more than 90 days	2,802	1,172	3,974	–	(3,974)	–
	21,948	2,316	24,264	(1,223)	(3,974)	19,067
	47,129	2,316	49,445	(2,740)	(3,974)	42,731
Group 31 March 2024						
Not pass due	24,189	–	24,189	(1,117)	–	23,072
Past due:						
- 1 to 90 days	18,492	841	19,333	(894)	–	18,439
- more than 90 days	1,946	404	2,350	–	(2,350)	–
	20,438	1,245	21,683	(894)	(2,350)	18,439
	44,627	1,245	45,872	(2,011)	(2,350)	41,511

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Credit risk (Cont'd)

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM47,933,000 (2024: RM49,035,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 35(b)(iii). As at reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantee.

(c) Fair value measurement

The carrying amounts of deposit, cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of long-term and short-term floating rate borrowings approximates their fair values as the borrowings will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2024: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	Carrying amount RM RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Level 1 RM RM'000	Level 2 RM RM'000	Level 3 RM RM'000	Total RM RM'000	Level 1 RM RM'000	Level 2 RM RM'000	Level 3 RM RM'000	Total RM RM'000
Group									
31 March 2025									
Financial assets									
Short-term funds	2,013	2,013	-	-	2,013	-	-	-	-
Financial liabilities									
Hire purchase payables	(585)	-	-	-	-	-	-	(600)	(600)
31 March 2024									
Financial assets									
Short-term funds	4,357	4,357	-	-	4,357	-	-	-	-
Financial liabilities									
Hire purchase payables	(616)	-	-	-	-	-	-	(627)	(627)
Company									
31 March 2025									
Financial assets									
Short-term funds	1	1	-	-	1	-	-	-	-
Financial liabilities									
Hire purchase payables	(585)	-	-	-	-	-	-	(600)	(600)
31 March 2024									
Financial assets									
Short-term funds	693	693	-	-	693	-	-	-	-
Financial liabilities									
Hire purchase payables	(616)	-	-	-	-	-	-	(627)	(627)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of hire purchase payable is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as the end of the reporting period.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- | | |
|-------------------------|---|
| i) Apparel | - manufacturing and marketing of apparels, manufacturing of seamless bonding, embroidering of logos and emblems, printing and marketing of silk screen printing products. |
| ii) Label and packaging | - printing of labels and stickers. |
| iii) Credit financing | - provision of financial services, including money lending, loan negotiation and various financing solutions. |
| iv) Others | - investment holding, provision for management services and medical businesses. |

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal ordinary course of business and have been established on negotiated and mutually agreed basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

31 March 2025	Apparel RM'000	Label and packaging RM'000	Credit financing RM'000	Others RM'000	Adjustments and elimination RM'000	Note	Total RM'000
Revenue:							
External sales	535,510	-	9,662	2,598	-		547,770
Inter-segment sales	142,765	-	-	4,482	(147,247)	(a)	-
Total revenue	678,275	-	9,662	7,080	(147,247)		547,770
Results:							
Bad debts recovered	-	-	(14)	-	-		(14)
Depreciation and amortisation:							
- property, plant and equipment	9,990	-	93	253	(391)		9,945
- investment properties	239	624	-	12	-		875
- intangible assets	-	-	-	1	-		1
Expenses relating to:							
- short-term leases	635	-	-	120	-		755
- low value assets	696	-	3	1	-		700
Finance costs	7,702	-	1,328	33	(804)		8,259
Interest income	(733)	-	(20)	(989)	774		(968)
Inventories written down	11	-	-	-	-		11
Gain/(Loss) on disposal of property, plant and equipment	145	-	-	-	(52)		93
Net impairment losses on:							
- lease receivables	-	-	4,298	-	-		4,298
- trade and other receivables	6	-	-	-	-		6
Rental income	(573)	(310)	-	(175)	309		(749)
Waiver of debts	(30,213)	-	-	-	30,213		-
Segment profit/(loss)	17,498	(396)	2,482	(1,681)	(10,440)	(b)	7,463
Tax expense	(1,647)	-	(734)	(208)	(72)		(2,661)
Profit/(Loss) for the financial year	15,851	(396)	1,748	(1,889)	(10,512)		4,802
Assets:							
Additions to non-current assets	15,379	-	446	326	(572)	(c)	15,579
Segment assets	415,394	6,098	48,217	118,289	(212,429)	(d)	375,569
Segment liabilities	(292,673)	(15,717)	(21,133)	(14,891)	141,750	(e)	(202,664)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

31 March 2024	Apparel RM'000	Label and packaging RM'000	Credit financing RM'000	Others RM'000	Adjustments and elimination RM'000	Note	Total RM'000
Revenue:							
External sales	367,811	185	9,303	548	-		377,847
Inter-segment sales	89,932	82	-	1,914	(91,928)	(a)	-
Total revenue	457,743	267	9,303	2,462	(91,928)		377,847
Results:							
Bad debts recovered	-	-	5	-	-		5
Depreciation and amortisation:							
- property, plant and equipment	9,646	-	48	245	(389)		9,550
- investment properties	259	644	-	12	-		915
- intangible assets	-	-	-	4	-		4
Expenses relating to:							
- short-term leases	777	-	-	120	-		897
- low value assets	453	-	3	1	-		457
Finance costs	5,067	-	1,372	37	(1,121)		5,355
Interest income	(561)	-	(11)	(1,610)	1,103		(1,079)
Inventories written down	74	-	-	-	-		74
Gain/(Loss) on disposal of property, plant and equipment	150	(37)	-	(16)	-		97
Net impairment losses on:							
- lease receivables	-	-	4,091	-	-		4,091
- trade and other receivables	214	-	-	-	-		214
Rental income	(716)	(388)	-	(167)	-		(1,271)
Waiver of debts	-	-	-	(35)	32		(3)
Segment profit/(loss)	5,190	(603)	2,443	(4,351)	1,963	(b)	4,642
Tax expense	(226)	-	(614)	(200)	203		(837)
Profit/(Loss) for the financial year	4,964	(603)	1,829	(4,551)	2,166		3,805
Assets:							
Additions to non-current assets	6,982	-	163	209	-	(c)	7,354
Segment assets	364,186	7,257	43,910	114,483	(171,022)	(d)	358,814
Segment liabilities	(274,387)	(17,093)	(18,574)	(15,019)	141,617	(e)	(183,456)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

- (a) Inter-segment sales are eliminated on consolidation.
- (b) The following items are added to/(deducted from) segment profit/(loss) to arrive at profit before tax presented in the statements of comprehensive income.

	2025 RM'000	2024 RM'000
Impairment loss on investment in subsidiaries	1,200	2,120
Profit from inter-segment sales	(11,640)	(157)
	(10,440)	1,963

- (c) Additions to non-current assets consist of:

	2025 RM'000	Group 2024 RM'000
Property, plant and equipment	15,579	7,354

- (d) Inter-segment assets are deducted from segment assets to arrive at total assets reported in the statements of financial position.
- (e) Inter-segment liabilities are deducted from segment liabilities to arrive at total liabilities reported in the statements of financial position.

Geographical Information

- (i) The following table provides an analysis of the Group's revenue and non-current assets other than deferred tax assets by geographical segment:

	Revenue		Non-current assets	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Malaysia	10,796	9,529	34,902	35,214
Cambodia	29,306	27,924	37,739	39,560
The People's Republic of China	183,668	157,997	48,461	47,852
Hong Kong	322,536	182,074	261	608
Singapore	1,464	323	8	10
	547,770	377,847	121,371	123,244

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

Geographical Information (Cont'd)

- (ii) Non-current assets information (other than deferred tax assets) presented above consist of the following items as presented in the statements of financial position:

	2025 RM'000	2024 RM'000
Property, plant and equipment	74,603	74,123
Investment properties	13,905	15,688
Intangible assets	8	10
Trade receivables	326	–
Lease receivables	32,529	33,423
Total non-current assets	121,371	123,244

Information about major customers

Revenue from two (2024: three) major customers amounted to RM415,208,000 (2024: RM284,037,000), arising from sales by the apparel segment.

37. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 31 May 2025, Southern Capital Group Sdn. Bhd., a subsidiary of the Company had acquired:

- (a) 60,003 ordinary shares, representing 100% equity interest of Delight Agencies Sdn. Bhd. for a cash consideration of RM170,000;
- (b) 800,000 ordinary shares, representing 100% equity interest of Mohita Jaya Sdn. Bhd. for a cash consideration of RM220,000; and
- (c) 2 ordinary shares, representing 100% equity interest of Team One Agency Sdn. Bhd. for a cash consideration of RM2.

38. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2025 and 31 March 2024.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less deposits, cash and bank balances and short-term fund whereas total capital comprises the equity attributable to equity holders of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. CAPITAL MANAGEMENT (CONT'D)

Other than those disclosed in Note 19(b), the Group and the Company are not subject to any externally imposed capital requirements.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans and borrowings	74,803	78,816	585	616
Trade and other payables	123,606	102,570	5,431	5,704
Short-term funds	(2,013)	(4,357)	(1)	(693)
Deposits, cash and bank balances	(40,596)	(45,371)	(9,512)	(3,504)
Net debts	155,800	131,658	(3,497)	2,123
Equity attributable to the owners of the Company	171,464	171,593	97,393	93,203
Capital and net debt	327,264	303,251	93,896	95,326
Gearing ratio	48%	43%	*	2%

* Not meaningful as the Company is in net cash position.

STATEMENTS BY DIRECTORS

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

We, **DATO' CHAN CHOR NGIAK** and **CHAN CHOW TEK**, being two of the directors of PCCS Group Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 122 to 188 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of directors:

.....
DATO' CHAN CHOR NGIAK

Director

.....
CHAN CHOW TEK

Director

Date: 28 July 2025

STATUTORY DECLARATION

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

I, **DATO' CHAN CHOR NGIAK**, being the director primarily responsible for the financial management of PCCS Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 122 to 188 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
DATO' CHAN CHOR NGIAK

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 28 July 2025.

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PCCS GROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PCCS Group Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 122 to 188.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

Inventories (Notes 4(a) and 10 to the financial statements)

The Group has significant inventories amounting to RM105,555,000 as at 31 March 2025. The accounting policy for the inventories of the Group is to state inventories at lower of cost and net realisable value. The review of saleability and valuation of inventories at the lower of cost and net realisable value are an area of significant judgement and estimate. The Group writes down its obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group analyses expected sales trend when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

We focused on the inventories due to significance of the value of inventories as part of the total assets.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Inventories (Notes 4(a) and 10 to the financial statements) (Cont'd)

Our response:

Our audit procedures included, among others:

- observing year end physical inventory count to examine the physical existence and condition of the inventories;
- understanding the Group's assessment on estimated net realisable values on selected inventory items; and
- discussing with the directors whether the inventories have been written down to their net realisable values for inventory items, if any, with net realisable values lower than their costs.

Trade receivables and lease receivables (Notes 4(b), 9 and 11 to the financial statements)

The Group has significant trade receivables and lease receivables as at 31 March 2025. In making the assumptions about risk of default and expected loss rate of the trade receivables and lease receivables, the directors selected inputs to the impairment calculation, based on the Group's past history and existing market conditions at the end of the reporting period. We focused on this area because the directors made significant judgements over assumptions in this area.

Our response:

Our audit procedures included, among others:

- understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, discussing with management and understanding their explanation on recoverability of selected receivables with significantly past due balances; and
- discussing with management the reasonableness and calculation of impairment loss as at the end of the reporting period.

Property, Plant and Equipment (Notes 4(c) and 5 to the financial statements)

The Group has significant balances of property, plant and equipment relating to its manufacturing operations in China and Cambodia. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full and the directors are required to determine the recoverable amounts of these assets.

We focused on this area because the Group's determination of recoverable amount requires the exercise of significant judgement to be made by the directors, especially in determining appropriate valuation methods and the key assumptions used in the valuations and the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Property, Plant and Equipment (Notes 4(c) and 5 to the financial statements) (Cont'd)

Our response:

Our audit procedures included, among others:

- comparing the cash flow projections to available business plan;
- discussing with the directors on their assessment and consideration of the current economic and business environment in relation to key assumptions made;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis around the assumptions.

Company

We have determined that there are no key audit matters to be communicated in our report which arise from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Zu Wei
No. 03545/12/2026 J
Chartered Accountant

Kuala Lumpur

Date: 28 July 2025

GROUP PROPERTIES

AS AT 31 MARCH 2025

No.	Location	Description and Existing Use	Tenure	Land Area (build-up area) sq. ft.	Age of Building No. of Years	Net Book Value RM'000	Date of Acquisition/ Revaluation*
La Prima Medtech Sdn. Bhd.							
1	No. 18, Jalan Keris Naga, Taman Pasifik Selatan, 83000 Batu Pahat, Johor, Malaysia.	4 Storey Building Complex	Freehold	6,056 (13,946)	32	617	04/04/1994*
Keza Sdn. Bhd.							
2	No. 11A, Jalan 3, Taman Perindustrian Sinaran, 86000 Kluang, Johor, Malaysia.	Factory Building	Freehold	2,002 (2,000)	26	91	04/09/2007
PCCS Garments (Suzhou) Ltd.							
3	North Side of Road 318, Jin Xing Village, Zhen Ze Town Development Zone, 215231 Zhen Ze, Wu Jiang City, Jiang Su Province, China.	Office and Factory Building	Leasehold expiring 03/11/2052	162,497 (128,325)	23	7,891	28/08/2008
		1 Block of Dormitory	Leasehold expiring 27/07/2058	23,509 (28,710)	17	1,354	21/08/2008
4	Room 203,205 & 206, 2nd Floor, Shanghai Western Business District C-2, No.31, Lot 1555, Jing Sha Jiang Xi Road, Jia Ding Area, Shanghai, China 201803	3 units Office Lot cum 3 units car park	Leasehold expiring 13/09/2056	10,570 (9,462)	12	6,079	30/04/2013
5	Room 3, 28th Floor, 1st Block, Time Square, Yan Jiang Road No. 159, Jiang An Area, Wuhan City, Hubei Province, China.	1 unit Office Lot	Leasehold expiring 01/03/2053	1,939 (1,939)	21	1,729	09/09/2010
Mega Labels & Stickers (Cambodia) Co., Ltd.							
6	P2-067, Phnom Penh Special Economic Zone, Sangkat Kantouk, Sangkat Phleung Chhe Rotes, and Sangkat Beung Thom, Khan Por Senchey, Phnom Penh, Cambodia.	2 Blocks of 2 Storey Office and Factory Building	Leasehold expiring 22/07/2062	61,785 (42,614)	13	3,533	23/07/2012
7	P2-068, Phnom Penh Special Economic Zone, Sangkat Kantouk, Sangkat Phleung Chhe Rotes, and Sangkat Beung Thom, Khan Por Senchey, Phnom Penh, Cambodia.	Factory Building	Leasehold expiring 12/09/2062	56,145 (25,663)	10	1,856	12/09/2012

GROUP PROPERTIES (CONT'D)

No.	Location	Description and Existing Use	Tenure	Land Area (build-up area) sq. ft.	Age of Building No. of Years	Net Book Value RM'000	Date of Acquisition/ Revaluation*
PCCS Garments (Shandong) Ltd.							
8	ShanDong Province, Shan County YuanYi Street, Lao DingDang Road Off TianYuan Primary School 274300 China.	3 Blocks of 1 Storey Production Floor; 1 Block of 2 Storey Multimedia Room; 1 Block of 1 Storey Staff Canteen; 2 Blocks of 1 Storey Warehouses; 1 Block of 3 Storey Administrative Office; 2 Blocks of 2 Storey Warehouses and 2 Blocks of 3 Storey Hostel	Leasehold Expiring 16/12/2068	496,076 (252,629)	14	15,816	03/09/2019
Wan He Da Manufacturing Company Limited							
9	National Road No. 4, Phum Ang, Sangkat Chaom Chau, Khan Pou Senchey, Phnom Penh City, Kingdom of Cambodia.	1 Block of 2 Storey Factory Building; 2 Blocks of 4 Storey Factory and Office Building	Leasehold Expiring 31/12/2075	222,425 (225,217)	17	9,912	10/09/2019

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2025

Total Issued Share Capital	:	223,020,907 shares (including 2,430,900 Treasury Shares)
Class of Shares	:	Ordinary Shares
Voting rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% ^	No. of Shares	% ^
1 – 99	305	11.43	14,017	0.01
100 – 1,000	305	11.43	182,080	0.08
1,001 – 10,000	1,362	51.05	6,048,513	2.74
10,001 – 100,000	580	21.74	18,651,606	8.46
100,001 – 11,029,499 (*)	111	4.16	75,730,321	34.33
11,029,500 and above (**)	5	0.19	119,963,470	54.38
TOTAL	2,668	100.00	220,590,007[^]	100.00

Remark: * Less than 5% of issued holdings
 ** 5% and above of issued holdings
 ^ Excluding 2,430,900 Treasury Shares

LIST OF SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of PCCS (holding 5% or more of the capital) based on the Register of Substantial Shareholders of the Company are as follows:

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	% ^	No. of Shares	% ^
CCS Capital Sdn. Bhd.	91,222,228	41.35	–	–
Chan Choo Sing	8,376,102	3.80	93,323,728 ⁽¹⁾	42.31
Tan Kwee Kee	2,101,500	0.95	99,598,330 ⁽²⁾	45.15
Chan Wee Kiang	2,211,964	1.00	91,222,228 ⁽³⁾	41.35
Federlite Holdings Sdn. Bhd.	15,859,000	7.19	–	–
Soh Chak Boo	702,500	0.32	15,859,000 ⁽⁴⁾	7.19
Mok Puay Kang	300,000	0.14	15,859,000 ⁽⁴⁾	7.19
Chan Chow Tek	11,536,142	5.23	–	–

Notes:

- [^] Calculated based on the total number of issued shares of 220,590,007 ordinary shares excluding Treasury Shares of 2,430,900 ordinary shares
- (1) Deemed interested by virtue of his spouse, Madam Tan Kwee Kee's shareholding in the Company and his direct interest of 40% in the equity of CCS Capital Sdn. Bhd.
- (2) Deemed interested by virtue of her spouse, Mr. Chan Choo Sing's shareholding in the Company and her direct interest of 20% in the equity of CCS Capital Sdn. Bhd.
- (3) Deemed interested by virtue of his direct interest of 30% in the equity of CCS Capital Sdn. Bhd.
- (4) Deemed interested by virtue of the shares held by him/her in Federlite Holdings Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of PCCS based on the Register of Directors' Shareholdings of the Company are as follows:

Directors	Direct Interest		Indirect Interest	
	No. of Shares	% ^	No. of Shares	% ^
Chan Wee Kiang	2,211,964	1.00	91,222,228 ⁽¹⁾	41.35
Chan Wee Boon	460,000	0.21	—	—
Chan Chow Tek	11,536,142	5.23	—	—
Dato' Chan Chor Ngiak	5,089,026	2.31	4,665 ⁽²⁾	negligible
Chan Chor Ang	4,607,969	2.09	100,000 ⁽³⁾	0.05
Piong Yew Peng	250,000	0.11	—	—
Joyce Wong Ai May	60,000	0.03	—	—
Goh Wen Ling	—	—	—	—

Notes:

^ Calculated based on the total number of issued shares of 220,590,007 ordinary shares excluding Treasury Shares of 2,430,900 ordinary shares

(1) Deemed interested by virtue of his direct interest of 30% in the equity of CCS Capital Sdn. Bhd.

(2) Deemed interested by virtue of his spouse, Datin Mok Gwa Nang's shareholding in the Company.

(3) Deemed interested by virtue of his spouse, Madam Chia Lee Kean's shareholding in the Company.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares	% ^
1	CCS Capital Sdn. Bhd.	52,522,228	23.81
2	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for CCS Capital Sdn. Bhd.	28,600,000	12.97
3	Federlite Holdings Sdn. Bhd.	15,859,000	7.19
4	Chan Chow Tek	11,536,142	5.23
5	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for See Kok Wah	11,446,100	5.19
6	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for CCS Capital Sdn. Bhd.	10,100,000	4.58
7	Chan Choo Sing	8,376,102	3.80
8	Chan Chor Ngiak	5,089,026	2.31
9	Chan Chor Ang	4,607,969	2.09
10	Chan Wee Kiang	2,211,964	1.00
11	Chan Wah Kiang	2,200,000	1.00
12	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kwee Kee	2,101,500	0.95

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Shareholders	No. of Shares	% [^]
13	Ching Gek Lee	1,900,000	0.86
14	PM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy	1,800,000	0.82
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy	1,637,700	0.74
16	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Foo Kong	1,602,900	0.73
17	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ooi Keng Thye	1,547,200	0.70
18	Ban Hock Seng Sdn. Bhd.	1,450,000	0.66
19	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Siew Li	1,327,300	0.60
20	Chan Wah Kiang	1,300,000	0.59
21	Low Hing Noi	1,300,000	0.59
22	Gek Lee Enterprise Sdn. Bhd.	1,250,000	0.57
23	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim King Hua	1,120,000	0.51
24	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Shan Shan	1,097,000	0.50
25	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Seong Liam	1,000,000	0.45
26	Syarikat Rimba Timur (RT) Sdn. Bhd.	1,000,000	0.45
27	IFAST Nominees (Tempatan) Sdn. Bhd. Lim Poh Teot	876,866	0.40
28	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Law Goo @ Law Yeow Ching	850,000	0.39
29	Soh Chak Boo	702,500	0.32
30	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ooi Chin Hock	663,350	0.30
		177,074,847	80.27

Note:

[^] Calculated based on the total number of issued shares of 220,590,007 ordinary shares excluding Treasury Shares of 2,430,900 ordinary shares

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PCCS GROUP BERHAD
[Registration No. 199301026191 (280929-K)]
(Incorporated in Malaysia)

FORM OF PROXY

NUMBER OF SHARES HELD

CDS ACCOUNT NO.

*I/We, _____
(Full Name as per NRIC/Certificate of Incorporation in Capital Letters)

Registration No./NRIC No./Passport No. _____ of _____

(Full Address)

being a *Member/Members of PCCS GROUP BERHAD, do hereby appoint _____

(Full Name as per NRIC in Capital Letters) NRIC No./Passport No. _____

of _____
(Full Address)

or failing *him/her, _____ NRIC No./Passport No. _____
(Full Name as per NRIC in Capital Letters)

of _____
(Full Address)

or failing *him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Thirty-First ("31st") Annual General Meeting of the Company to be held at PCCS Group Berhad's Corporate Office, Lot 1376, GM 127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 28 August 2025 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Resolution No.	Resolutions	For	Against
1.	To re-elect Mr. Chan Chow Tek.		
2.	To re-elect Dato' Chan Chor Ngiak.		
3.	To re-elect Ms. Goh Wen Ling.		
4.	To approve the payment of Directors' fees for the financial year ended 31 March 2025.		
5.	To approve the payment of Directors' fees for the financial year ending 31 March 2026 until the next Annual General Meeting of the Company.		
6.	To approve the benefits payable to the Non-Executive Directors for the financial year ending 31 March 2026 until the next Annual General Meeting of the Company.		
7.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights.		
9.	Retention of Mr. Piong Yew Peng as Independent Non-Executive Director.		
10.	Proposed Renewal of Share Buy-Back Authority.		

* Strike out whichever not applicable

Signed this _____ day of _____ 2025

Signature of Member/Common Seal



Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2025 ("**General Meeting Record of Depositors**") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the member at the Meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting and upon appointment, a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. Where a member appoints more than one (1) proxy in relation to the Meeting, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof.
7. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016: -
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he/she did as chairman of such meeting;
 - (c) the validity of a poll demanded by him/her at such meeting; or
 - (d) the validity of the vote exercised by him/her at such meeting.

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AFFIX
STAMP

PCCS Group Berhad [199301026191 (280929-K)]
Securities Services (Holdings) Sdn. Bhd.

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan

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Fold This Flap For Sealing



PCCS GROUP BERHAD

[Reg. No. 199301026191 (280929-K)]
(Incorporated in Malaysia)

Lot 1376, GM 127,
Mukim Simpang Kanan,
Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim
Tel No: +607-456 8871 | +6012-794 0574

www.pccsgroup.net

Passion Care Commitment Sustainability