

PANDA ECO SYSTEM BERHAD (“PANDA” OR “THE COMPANY”)

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”)

1. INTRODUCTION

Pursuant to Rule 10.09(1)(a) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) ACE Market Listing Requirements (“**Listing Requirements**”), the Board of Directors (the “**Board**”) of Panda wishes to announce that the Company and its subsidiaries (“**Panda Group**”), have in the ordinary course of business entered into the RRPT as disclosed below and the total consideration of which by way of aggregation has exceeded the threshold of the RRPT of RM1 million for the period from 1 January 2023 to 30 November 2023.

2. DETAILS OF THE RRPT

Related Party	Transacting company in our Group	Interested Person	Nature of Relationship	Nature of transaction	Actual value transacted from 1 January 2023 to 30 November 2023 (RM)
E-Tech IT Sdn. Bhd. (“E-Tech”)	KK Computer Sdn. Bhd.	Tay Kheng Seng Loo Chee Wee	Tay Kheng Seng and Loo Chee Wee are the Executive Directors and substantial shareholders of Panda. Tay Kheng Seng and Loo Chee Wee are also the indirect shareholders of E-Tech IT via Goldcoin Pavilion Sdn. Bhd. (“Goldcoin Pavilion”).	Purchase of computer hardware such as point-of-sale equipment, server and accessories from E-Tech.	19,840
E-Tech IT	Panda Software House Sdn. Bhd.	Tay Kheng Seng Loo Chee Wee	Tay Kheng Seng and Loo Chee Wee are the Executive Directors and substantial shareholders of Panda. Tay Kheng Seng and Loo Chee Wee are also the indirect shareholders of E-Tech via Goldcoin Pavilion.	Purchase of computer hardware such as point-of-sale equipment, server, computer and accessories from E-Tech.	1,435,623

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3. RATIONALE AND BENEFITS OF THE RRPT

The RRPT are necessary for the day-to-day operations of Panda Group and are intended to meet the business needs of Panda Group on the best possible terms as well as for Panda Group to explore beneficial business opportunities with the related party.

The RRPT are entered into in the ordinary course of business which are necessary for the day-to-day operations, at arm's length basis and on Panda's normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company.

4. EFFECTS OF THE RRPT

The RRPT will not have any effect on the issued share capital of the Company, substantial shareholders' shareholdings, earnings per share, net assets per share and gearing of the Company for the financial year ending 31 December 2023.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed in Section 2 above, none of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the RRPT.

The Interested Directors, namely Tay Kheng Seng and Loo Chee Wee, have abstained and will continue to abstain from all deliberations and voting in respect of the RRPT involving their interests and/or interests of person connected with them, at the relevant Board meetings.

6. STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee having considered the rationale for the RRPT and all aspects of the RRPT was of the view that the RRPT is in the best interests of the Company and is fair and reasonable and on normal commercial terms and is not detrimental to the interests of the minority shareholders.

7. STATEMENT BY THE BOARD

The Board (save for the Interested Directors), having considered all aspects of the RRPT is of the opinion that the RRPT are in the best interest of the Company.

8. APPROVAL REQUIRED

As at the date of this announcement, the applicable percentage ratio is less than 5% and hence, no shareholders' approval is required.

The Board is mindful of the requirements to seek Shareholders' Mandate to enter into RRPT with the Related Parties once the applicable percentage ratio is expected to exceed 5% at an Extraordinary General Meeting or forthcoming Annual General Meeting, whichever is the earlier.

This announcement is dated 21 December 2023.