



**PANDA ECO SYSTEM BERHAD**

(Registration No. 202201028635 (1474332-M))  
(Incorporated in Malaysia)

# A JOURNEY INTO NEW PROSPECTS

ANNUAL REPORT 2023



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# PANDA ECO SYSTEM AT A GLANCE

## Our Business Model

BUSINESS SEGMENTS	RETAIL MANAGEMENT ECO-SYSTEM DEVELOPMENT, CUSTOMISATION, IMPLEMENTATION AND INTEGRATION	OTHER BUSINESSES
<b>Solutions</b>	<ul style="list-style-type: none"> <li>HQ Centralised Management, Store Operations and Financial Management</li> <li>Omni-channel Engagement</li> <li>XBridge B2B</li> </ul>	<ul style="list-style-type: none"> <li>Trading of third-party software</li> <li>Trading of IT hardware</li> <li>Software customisation, implementation and integration of process control and automation solutions</li> </ul>
<b>Revenue model</b>	<ul style="list-style-type: none"> <li><b>One-off</b> <ul style="list-style-type: none"> <li>Software license fee</li> <li>Project implementation charges</li> <li>Outright sale of IT hardware</li> <li>Training fee</li> </ul> </li> <li><b>Recurring</b> <ul style="list-style-type: none"> <li>Software license maintenance fee</li> <li>Subscription fee</li> <li>Cloud server management service fee</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>One-off</b> <ul style="list-style-type: none"> <li>Outright sale of IT hardware and third-party software licence fee</li> <li>Project customisation and implementation fee</li> </ul> </li> <li><b>Recurring</b> <ul style="list-style-type: none"> <li>Support maintenance fee</li> </ul> </li> </ul>
<b>Customer segments</b>	<ul style="list-style-type: none"> <li>Retailers particularly:               <ul style="list-style-type: none"> <li>Grocery retail stores including hypermarkets, supermarkets and mini-markets</li> <li>Convenience stores</li> <li>General merchandise retailers including houseware and kitchenware retailers and departmental stores</li> <li>Specialty stores such as stationery and baking ingredient product stores</li> </ul> </li> <li>Retail product suppliers</li> <li>F&amp;B service providers</li> <li>Companies in other industries including trading and manufacturing industries (for the trading of third-party software and IT hardware, and software customisation, implementation and integration of process control and automation solutions)</li> </ul>	

## Our Presence



# CORPORATE OVERVIEW

## Our History Goes A Long Way

The idea of developing a comprehensive Retail ERP solution that works seamlessly for modern retailing struck the mind of the co-founders in 2003. The thought was soon put into action with the establishment of KC Software House in Melaka. The partnership was subsequently transformed into a private limited company named Panda Software House Sdn Bhd in 2010 where “Panda” was officially adopted as the brand of the company’s product.

## Passion

“To provide seamless and efficient retail management solutions for retailers”



## Our Commitment To Excellence

The commitment to build a efficient Retail Management Eco-system for retailers propels our development team to be forward thinking and innovative. The passion to perfecting our solution has positioned us to stay ahead of our competitors in terms of technology advancement. We are known in the market as the expert in handling retail chain store operation particularly Supermarket cum General Merchandise Store as 90% of our customers are in such segment.

## Our Culture And Core Values

- ◆ Compliance to Confidentiality
- ◆ Disruptive Innovation
- ◆ Culture of Excellence
- ◆ Diversity and Inclusion
- ◆ Professional and Ethical
- ◆ Customer Centric
- ◆ Invest Beyond Value
- ◆ Drive Revenue Growth

## Delivering Service Excellence Is In Our DNA

Panda Eco System is headquartered in Melaka, the historical city of Malaysia. To ensure service excellence is delivered to our customer, we have setup 4 service hubs at Kuala Lumpur, Johor Bahru, Kuching and Kota Kinabalu to support them.

We employ a team of more than 60 highly trained professionals and dedicated engineers equipped with skillsets, domain knowledge and experiences to support our enterprise customers in achieving higher productivity via automation.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Yap Chee Kheng

*Independent Non-Executive Chairman*

### Loo Chee Wee

*Executive Director / Chief Executive Officer*

### Tay Kheng Seng

*Executive Director / Chief Technology Officer*

### Chan Kam Chiew

*Independent Non-Executive Director*

### Dato' Leanne Koh Li Ann

*Independent Non-Executive Director*

### Siew Suet Wei

*Independent Non-Executive Director*

## AUDIT AND RISK MANAGEMENT COMMITTEE

**Chan Kam Chiew** (*Chairman*)

**Dato' Leanne Koh Li Ann**

**Siew Suet Wei**

## NOMINATION COMMITTEE

**Siew Suet Wei** (*Chairperson*)

**Dato' Leanne Koh Li Ann**

**Chan Kam Chiew**

## REMUNERATION COMMITTEE

**Dato' Leanne Koh Li Ann** (*Chairperson*)

**Chan Kam Chiew**

**Siew Suet Wei**

## COMPANY SECRETARIES

**Wong Youn Kim**

MAICSA No.: 7018778

SSM PC No.: 201908000410

### Lim Li Heong

MAICSA No.: 7054716

SSM PC No.: 202008001981

## REGISTERED OFFICE

Level 5, Tower 8, Avenue 5, Horizon 2

Bangsar South City

59200 Kuala Lumpur

Telephone: +603-2280 6388

Facsimile: +603-2280 6399

Email: listcomalaysia@acclime.com

## SPONSOR

**M & A Securities Sdn Bhd**

45 & 47, Levels 3 and 7

The Boulevard

Mid Valley City

59200 Kuala Lumpur

Telephone: +603-2284 2911

## COMPANY WEBSITE

[www.panda-eco.com](http://www.panda-eco.com)

## HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS

28, 28-1, 30, 30-1, 32-1 and 34-1

Jalan PPM13

Plaza Pandan Malim Business Park

75250 Melaka

Telephone: +606-332 3966

Email: [info@pandasoftware.my](mailto:info@pandasoftware.my)

Website: <https://panda-eco.com>

## AUDITORS

**Crowe Malaysia PLT**

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

52, Jalan Kota Laksamana, 2/15

Taman Kota Laksamana, Seksyen 2

75200 Melaka

Telephone: +606-282 5995

Facsimile: +606-283 6449

## SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Telephone: +603-2783 9299

Facsimile: +603-2783 9222

## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

Securities Berhad

Stock Name : PANDA

Stock Code : 0290

## PRINCIPAL BANKER

**Public Islamic Bank Berhad**

17, 19 & 21 Jalan Rahmat 2

Taman Malim Jaya

75250 Melaka

Telephone: +606-334 6397

Facsimile: +606-334 6412



# CORPORATE STRUCTURE



**PANDA SOFTWARE  
HOUSE SDN BHD**

(200901011049)  
(854073-K)



**KK COMPUTER  
SDN BHD**

(199701026999)  
(442497-A)



**REXBRIDGE  
SDN BHD**

(201401030716)  
(1106802-H)



**020 DIGITAL  
SDN BHD**

(202001021320)  
(1377640-W)



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# KEY CORPORATE MILESTONES

## Established KC Software House

The entity was co-founded in Melaka by 2 partners who share the same vision and possess the passion to develop a Retail Management Eco-system that provides efficient retail management solutions for retailers.

2003

## 1st customer – Fresco Supermarket

The pilot version of KC POS system was released and implemented in Fresco Supermarket, Melaka. Fresco remains our loyal customer since the 1st day of deployment.

2005

2008

## 1st chain store customer – Hero Supermarket

The management of Hero, best known as the founders of the Giant Hypermarket chain from which they divested in 1999, decided to convert their POS system to KC POS for their operations.

2010

## Awarded MSC Status

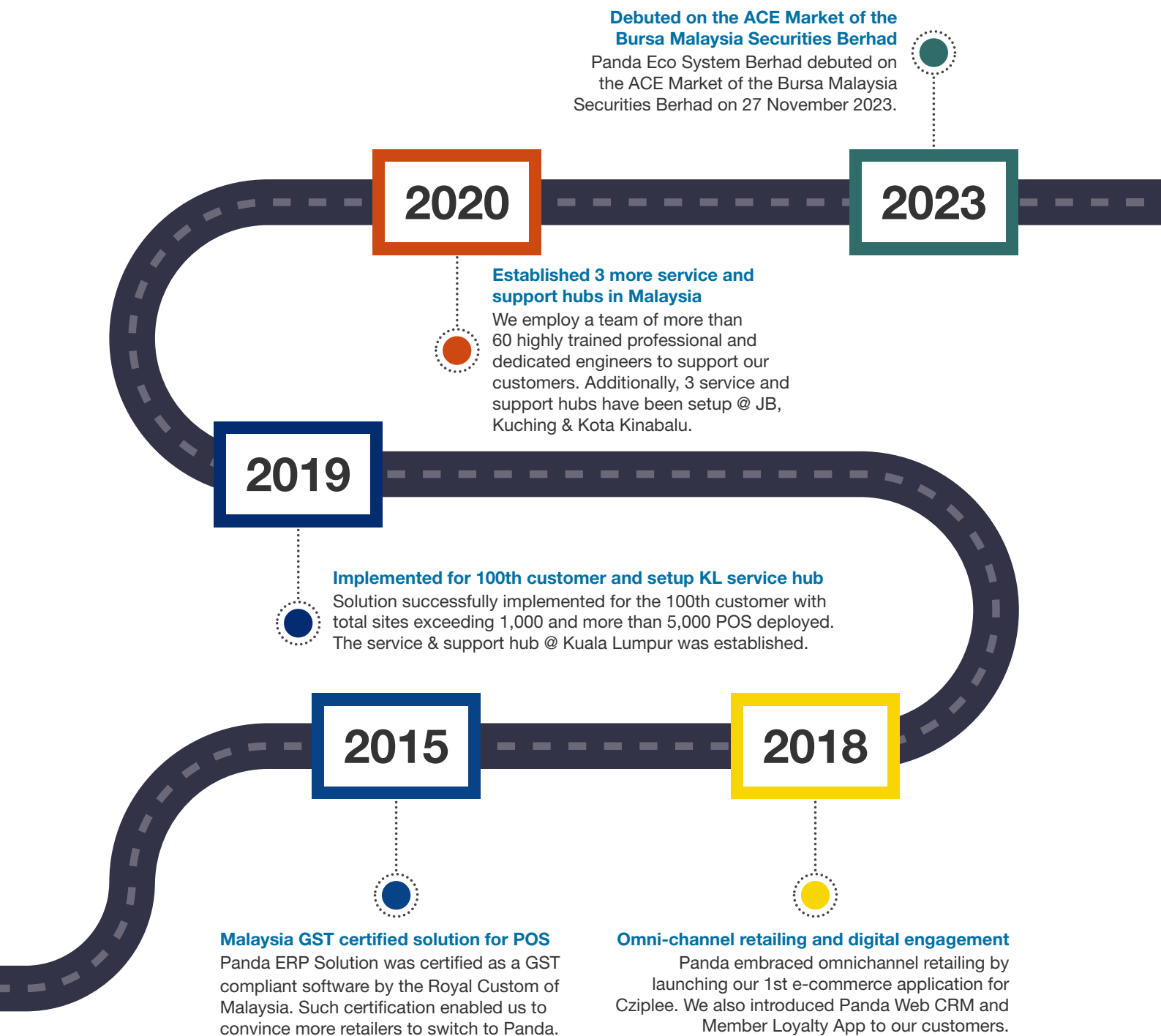
Panda Software was incorporated in 2009 and Panda ERP was adopted as an our brand. Panda Software House was awarded the MSC Pioneer Status (currently known as (Malaysia Digital Status) Company by MDEC in 2010.

2013

## Implemented for 30th customer

Panda ERP Solution successfully deployed for the 30th customer. We earned the recognition of being the expert in handling retail operations as most of our clients are grocery chain store operators.

## KEY CORPORATE MILESTONES





# 5-YEAR FINANCIAL HIGHLIGHTS

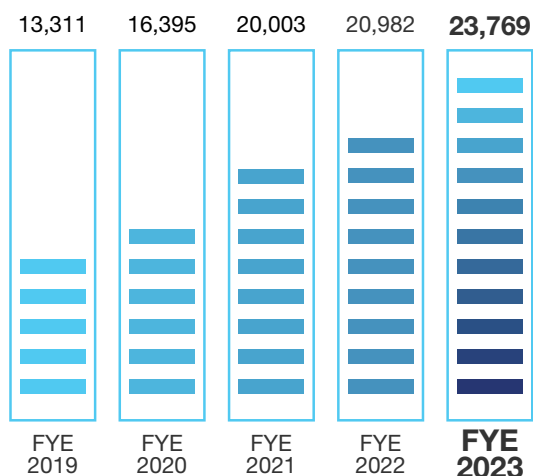
<i>Figures in (RM'000) unless stated</i>	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
<b>Revenue</b>	13,311	16,395	20,003	20,982	<b>23,769</b>
<b>Gross Profit</b>	8,043	9,654	11,352	11,650	<b>12,924</b>
<b>Earnings Before Interest, Taxes, Depreciation, &amp; Amortisation ("EBITDA")</b>	7,043	8,244	10,601	8,588	<b>6,280</b>
<b>Profit Before Tax ("PBT")</b>	6,791	8,125	10,430	8,472	<b>6,306</b>
<b>Profit After Tax ("PAT")</b>	6,697	6,871	7,900	7,048	<b>4,303</b>
<b>Earnings Per Share (sen)</b>	1.19 <sup>#</sup>	1.22 <sup>#</sup>	1.41 <sup>#</sup>	1.25 <sup>#</sup>	<b>0.75<sup>*</sup></b>
<b>Total Assets</b>	12,874	21,562	14,014	16,483	<b>38,572</b>
<b>Total Liabilities</b>	1,956	7,575	3,708	3,869	<b>6,101</b>
<b>Total Equity</b>	10,918	13,987	10,306	12,614	<b>32,471</b>

<sup>\*</sup> Adjusted for the 671,187,000 Shares in issued pursuant to the completion of the IPO

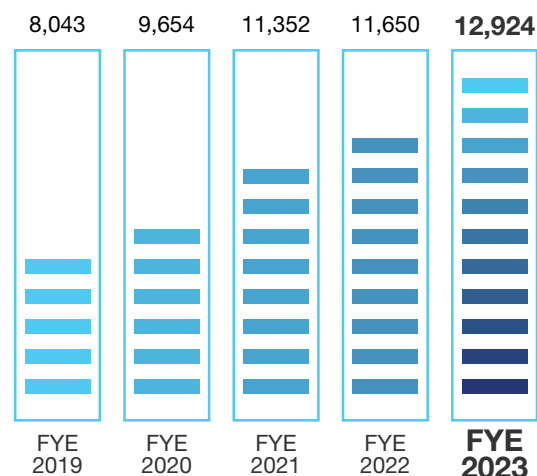
<sup>#</sup> Calculated over enlarged share capital of 561,900,200 Shares before IPO

# 5-YEAR FINANCIAL HIGHLIGHTS

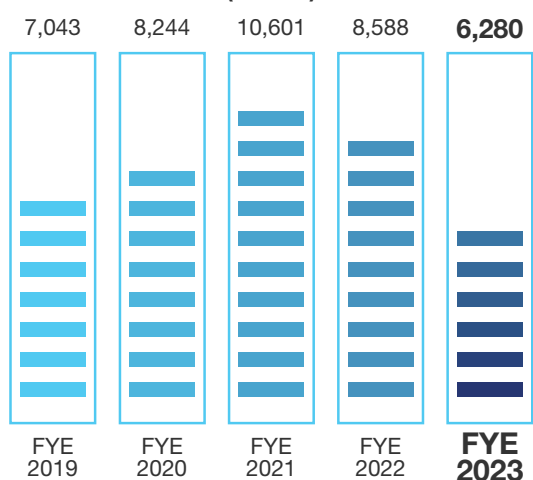
## REVENUE (RM'000)



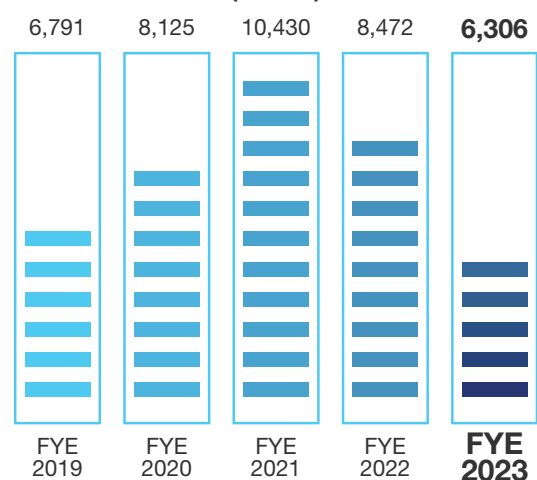
## GROSS PROFIT (RM'000)



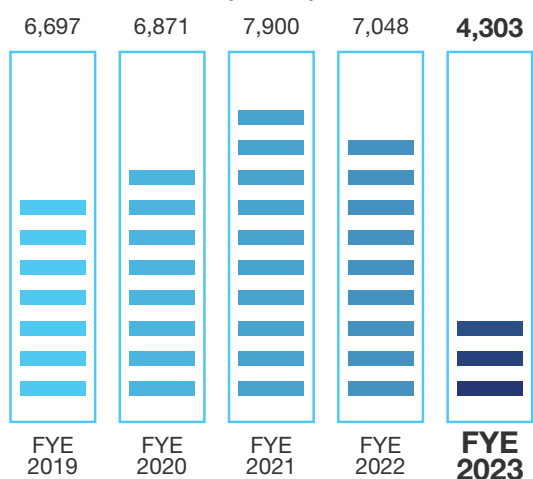
## EBITDA (RM'000)



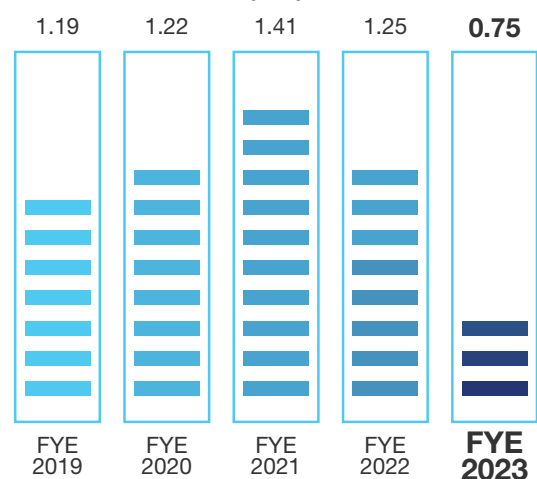
## PBT (RM'000)



## PAT (RM'000)



## EPS (SEN)



# IN THE NEWS

27 Nov 2023-Business Times

## Panda Eco debuts at a 81pc premium to IPO price



Panda Eco System Bhd, a home-grown retail management solutions provider, debuted on the ACE Market of Bursa Malaysia Securities Bhd today at an 81 per cent premium to its initial public offering price of 16 sen a share.

KUALA LUMPUR: Panda Eco System Bhd, a home-grown retail management solutions provider, debuted on the ACE Market of Bursa Malaysia Securities Bhd today at an 81 per cent premium to its initial public offering price of 16 sen a share.

As at 11.36am, it was the most actively traded stock, trading at a 62.5 per cent premium to its reference price, at 26 sen. Some 164.7 million shares were traded.

As a retail management solutions provider, the group is primarily involved in the development, customisation, implementation, and integration of retail management eco-system for its customers.

The group's in-house developed retail management eco-system caters to small to large retail chains.

Its solutions are currently adopted by over 1,400 retail stores across Peninsular Malaysia, Sabah and Sarawak, Batam and Brunei.

"The retail industry is constantly undergoing transformative shifts driven by changing consumer expectations, technological advancements and intensified competition. To remain relevant and ahead of the curve, retailers must embrace technology and implement robust solutions to enhance their operations. This is where Panda Eco System can assist them. Our solutions aim to facilitate efficient expansion and scalability, supporting retailers in overcoming the complexities inherent in the industry and meeting the dynamic expectations of both consumers and suppliers," Panda Eco System executive director / chief executive officer Loo Chee Wee said in a statement today.

Panda Eco raised RM17.5 million through its IPO.

The proceeds are earmarked for investment in research and development of new solutions and market expansion.

17 Nov 2023-The Star

## Panda Eco System's IPO shares oversubscribed 153.47 times



From left: Panda Eco System independent non-executive director Siew Suet Wei, independent non-executive director Chan Kam Chiew, independent non-executive chairman Nicholas Yap, chief technology officer and executive director Tay Kheng Seng, CEO and executive director Loo Chee Wee, M&A Securities head of corporate finance Gary Ting, associate director of corporate finance Chong Hsu-Yeung, and independent non-executive director Datuk Leanne Koh Li Ann

KUALA LUMPUR: Panda Eco System Bhd, which is en route to a listing on Bursa Malaysia's Ace Market on Nov 27, 2023, saw its initial public offering (IPO) shares offered to the public oversubscribed by 153.47 times.

The retail management eco-system solution provider said a total of 20,021 applications for 5.18 million shares worth RM829.41 million were received from the public, representing an overall oversubscription rate of 153.47 times.

"For the Bumiputera portion, a total of 11,444 applications for 2.41 billion shares were received, which represents an oversubscription rate of 142.85 times.

"For the public portion, a total of 8,577 applications for 2.77 billion issue shares were received, which represents an oversubscription rate of 164.08 times," it said in a statement.

Panda Eco System's IPO involved the public issue of 109.27 million new shares, of which 33.56 million shares were made available for the public; 42.77 million for eligible directors, employees and persons who have contributed to the success of the group; and 32.95 million for selected investors private placement.

The company previously said it aimed to raise RM17.5 million via the IPO, which would be utilised for the development of new solutions, domestic and regional business expansion, the recruitment of additional engineers for its customer technical service department, and the expansion of its new headquarters. -Bernama

# IN THE NEWS

27 Nov 2023-The Edge Malaysia

## Panda Eco gains 62.5% on ACE Market debut



(From left) Panda Eco System Bhd independent non-executive director Siew Suet Wei, independent executive director Datuk Leanne Koh Li Ann, independent non-executive chairman Nicholas Yap, executive director and chief executive officer Loo Chee Wee, executive director and chief technology officer Tay Kheng Seng, independent non-executive director Chan Kam Chiew, M&A Securities Sdn Bhd head of corporate finance Gary Ting, and M&A Equity Holdings Bhd managing director Datuk Bill Tan at the listing ceremony.

KUALA LUMPUR (Nov 27): Retail management solutions provider Panda Eco System Bhd made its debut on the ACE Market of Bursa Malaysia on Monday with an opening price of 29 sen — a premium of 81% to its initial public offering price (IPO) of 16 sen.

The most actively traded counter of the day with 190.37 million shares done, the stock pared some gains to end the trading day at 26 sen, still up 62.5% or 10 sen.

Phillip Capital has valued Panda Eco at 22 sen, and ascribed a 18 times price-earnings multiple (in line with its domestic software peers) on earnings per share (EPS) estimated for the financial year ending Dec 31, 2024 (FY2024).

In a note on Monday, the research house, which does not have a rating for the counter, estimated a three-year profit compound annual growth rate of 10% from FY2021 to FY2024, driven by the company's local business expansion and offering of new innovative products.

"Panda Eco stands out in terms of its product stickiness and high switching costs, [as well as a] niche and stable target market of retailers and grocers.

"In addition, Panda Eco should be able to capitalise on the digitalisation movement incentivised by the government for small and medium enterprises in Budget 2024.

"Key risks include the absence of long-term contracts and competition risks," it said.

Meanwhile, Rakuten Trade has a "buy" recommendation on Panda Eco, with a target price of 30 sen, and said it expects Panda Eco to register core net earnings of RM8.1 million for FY2023, and RM10.2 million for FY2024.

"[We recommend] 'buy', with a fair value of 30 sen, based on 20 times price-earnings ratio (the average of peers with similar market capitalisation) over FY2024 EPS," it said.

27 Nov 2023-The Star

## Panda Eco System's share price surges on ACE debut



From left: Panda Eco System independent non-executive director Siew Suet Wei, independent executive director Datuk Leanne Koh Li Ann, independent non-executive chairman Nicholas Yap, executive director/CEO Loo Chee Wee, executive director/chief technology officer Tay Kheng Seng, independent non-executive director Chan Kam Chiew, M&A Securities Sdn Bhd head of corporate finance Gary Ting and M&A Equity Holdings Bhd managing director Datuk Bill Tan

KUALA LUMPUR: Panda Eco System Bhd made its debut on the ACE Market of Bursa Malaysia at 29 sen a share, a 13 sen or 81.25% premium to the initial public offering (IPO) price of 16 sen a share.

Shares in the home-grown retail management solutions provider recorded an opening volume of 24.85 million shares, which put it at the top of the active trading table.

During the listing ceremony, executive director and CEO Loo Chee Wee said retailers must embrace technology and implement robust solutions to enhance their operations to remain relevant.

"Our solutions aim to facilitate efficient expansion and scalability, supporting retailers in overcoming the complexities inherent in the industry and meeting the dynamic expectations of both consumers and suppliers," he said.

He added that the IPO proceeds of RM17.5mil will enable the company to invest in research and development of new solutions, expand its market presence, and continue advancing, thereby solidifying its position as a home-grown Malaysian software company.

Panda's IPO generated significant interest, with the balloting portion for the Malaysian public oversubscribed by 153.5 times.

The group is primarily involved in the development, customisation, implementation, and integration of Retail Management Eco-system for its customers.

Its in-house developed retail management eco-system assists retailers in meeting the distinctive operational needs of retail chain stores and caters to small to large retail chains.

Its solutions are currently adopted by over 1,400 retail stores across Peninsular and East Malaysia, Batam and Brunei, it said.

Panda announced in a Nov 22 bourse filing it had posted a net profit of RM1.79mil or 0.32 sen per share and revenue of RM5.46mil in the quarter ended Sept 30, 2023.



# DIRECTOR'S PROFILE



## Yap Chee Kheng

*Independent Non-Executive Chairman*



Nationality: Malaysian



Gender: Male



Age: 51

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- None

**Mr. Yap** graduated from the University of Southern Queensland, Australia with a Bachelor of Business in 1996. He subsequently was accepted as a Chartered Financial Analyst ("CFA") from the CFA Institute, USA (formerly known as the Association for Investment Management and Research) in 1999.

Upon graduation, he began his career with Ban Hin Lee Bank Berhad (presently under the CIMB Group Holdings Berhad group of companies) as a Credit Officer in May 1996.

During his tenure, he was responsible for assisting in screening loan requests and evaluating clients' financial information and risk ratios. He left Ban Hin Lee Bank Berhad and subsequently joined United Overseas Bank (Malaysia) Bhd as Assistant Manager in March 2000. During his tenure, he assisted in managing the credit processing department and loan application approvals.

In February 2002, he was promoted to Assistant Vice President where he oversaw the operational activities of the credit processing department.

In April 2002, he set up PNL Business Services Sdn Bhd, a company that offers financial and management consultancy services. He currently holds the position of Director in the company. In March 2009, he went on to incorporate Tian An Trading Sdn Bhd, a company that deals with wholesale, import and distribution of food and beverages. He holds the position of Managing Director in the company. At present, he is responsible for overseeing and managing the day-to-day business operations of both companies.

## DIRECTOR'S PROFILE



### Loo Chee Wee

*Executive Director / Chief Executive Officer*



**Nationality:** Malaysian



**Gender:** Male



**Age:** 54

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- None

**Mr. Loo** is our substantial shareholder and Executive Director/Chief Executive Officer. He is in charge of planning and executing long-term objectives for our Group, managing our sales and marketing activities including identifying markets and business opportunities and approaching potential customers, and managing and maintaining key customer relationships.

He graduated from Stockton University, USA (formerly known as Richard Stockton State College) with a Bachelor of Arts (Computer Science) and Bachelor of Arts (Finance) in 1992.

He began his career in August 1993 when he joined Ban Hin Lee Bank Berhad (presently under the CIMB Group Holdings Berhad group of companies) as Credit Analyst. As Credit Analyst, he was responsible for assisting in screening loan requests and evaluating clients' financial information and risk ratios. In December 1994, he was promoted to Head of Credit of the Melaka branch, where he was in charge of overseeing and managing the credit department as well as recommending loan applications for approval.

He was subsequently transferred to the Miri Branch in October 1996 where he was designated as Assistant Branch Manager. During his tenure, he oversaw and monitored the daily business operational activities and managed employees based at the Miri branch office. In December 1997, he assumed the position of Relief Assistant Branch Manager for the Central and Southern regions of Peninsular Malaysia (including Kuala Lumpur, Selangor, Negeri Sembilan, Melaka and Johor). As a Relief Assistant Branch Manager, he was tasked to assume the functional responsibilities as an interim Assistant Branch Manager of branch offices in the Central and Southern regions of Peninsular Malaysia.

In September 2000, he joined Jasin Shopping Centre Sdn Bhd (his family-owned company) as Manager and was later promoted to Director in September 2003. During his tenure, he was in charge of overseeing the daily operational activities of the company's grocery retail outlet including management of supply chain and inventory levels, overseeing IT functions, monitoring of financial performance and cashflow as well as developing sales and marketing strategies.

In May 2001, he set up Fimmex Trading Sdn Bhd, a company involved in the trading of consumable products and was appointed as Director. He later sold his equity interest in Fimmex Trading Sdn Bhd.

Through his experience in Jasin Shopping Centre Sdn Bhd, he develops a retail management solution that was tailored for grocery retailers. As such, in February 2003, he left his role as Director in Fimmex Trading Sdn Bhd to set up KC Software House, a partnership, with our Executive Director and Chief Technology Officer, Tay Kheng Seng. He was responsible for the business development and marketing of solutions in KC Software House, and contributed to the development of our retail management solution by providing his insights on the needs and requirements of grocery retailers. The business of KC Software House was gradually transferred to Panda Software House Sdn Bhd from 2009, and the business partnership of KC Software House ceased in June 2011. Loo Chee Wee was appointed as Executive Director of Panda Software House Sdn Bhd in April 2009 where he focused on the business development of the company. At the same time, he took on a non-executive director role in Jasin Shopping Centre Sdn Bhd until his resignation in October 2022. Loo Chee Wee also co-founded Rexbridge Sdn Bhd in August 2014 and 020 Digital Sdn Bhd in July 2020.

Goldcoin Pavilion Sdn Bhd ("Goldcoin Pavilion") holds 11.1% equity interest in E-Tech IT Sdn Bhd ("E-Tech IT"). E-Tech IT have been entering transactions with Panda and its subsidiaries. Mr. Loo is the major shareholder and Director of Goldcoin Pavilion.

Potential conflict of interest may arise due to the common directorship and involvement in related companies. The Audit and Risk Management Committee has reviewed and assessed the potential conflict of interest of Directors, senior management and legal representatives of the Company (if any) and measures to mitigate such conflicts.

## DIRECTOR'S PROFILE



### Tay Kheng Seng

*Executive Director / Chief Technology Officer*



Nationality: Malaysian



Gender: Male



Age: 56

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

• None

**Mr. Tay** is our substantial shareholder, Executive Director/Chief Technology Officer. He is in charge of managing and leading the Software Development department which is responsible for the software development and maintenance of our Group's Retail Management Eco-system. He also communicates with relevant departments to provide solutions for feedback received from customers.

He graduated from University Sains Malaysia with a Bachelor of Applied Science in 1993.

Upon graduation, he began his career with Likom Computer System Sdn Bhd as Production Engineer in October 1993. During his tenure, he involved in the management and maintenance of machinery and equipment as well as enhancement of operational efficiency in terms of production workflows and spaces. He left Likom Computer System Sdn Bhd in June 1994 and subsequently joined Aiwa Electronics (Malaysia) Sdn Bhd as Officer, Purchasing Department in July 1994, where he responsible for the sourcing and procurement of raw materials.

In August 1997, he co-founded KK Computer Sdn Bhd as its Managing Director with his spouse, Bong Kok Choo. KK Computer Sdn Bhd was then involved in the trading of IT hardware and third-party software. In February 2003, he co-founded KC Software House, a business partnership, with Loo Chee Wee, and was

instrumental in the development of our retail management solutions. The business of KC Software House was gradually transferred to Panda Software House Sdn Bhd from 2009, and the business partnership of KC Software House ceased in June 2011. Tay Kheng Seng was appointed as Executive Director of Panda Software House Sdn Bhd where he continued to be in charge of the development of our Retail Management Eco-system. He also co-founded Rexbridge Sdn Bhd in August 2014 and 020 Digital Sdn Bhd in July 2020.

Tay Kheng Seng is the spouse of Bong Kok Choo, our Business Development Director of KK Computer Sdn Bhd and the brother of Tay Li Li.

Goldcoin Pavilion holds 11.1% equity Interest in E-Tech IT. E-Tech IT have been entering transactions with Panda and its subsidiaries. Mr. Tay is the major shareholder and Director of Goldcoin Pavilion.

Potential conflict of interest may arise due to the common directorship and involvement in related companies. The Audit and Risk Management Committee has reviewed and assessed the potential conflict of interest of Directors, senior management and legal representatives of the Company (if any) and measures to mitigate such conflicts.

## DIRECTOR'S PROFILE



### Chan Kam Chiew

*Independent Non-Executive Director*



Nationality: Malaysian



Gender: Male



Age: 59

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- Chairman of the Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee

**Mr. Chan** qualified as a Certified Public Accountant and is a member of the Malaysian Institute of Certified Public Accountants ("MICPA"). He is also a member of the Malaysian Institute of Accountants ("MIA"), the Institute of Corporate Directors Malaysia and the MFRS Application and Implementation Committee of the Malaysian Accounting Standards Board ("MASB").

He began his career with Peat Marwick (now known as KPMG PLT ("KPMG")) in Malaysia as Audit Assistant in December 1984. He then served in KPMG San Francisco office in USA from September 1991 to April 1993. Upon his return to Malaysia, he was promoted to Audit Manager of KPMG in May 1993. Subsequently, he became a partner in the Assurance services of KPMG in Malaysia from October 1998 until his retirement in December 2020.

He has more than 36 years of experience in providing audit and business advisory services to a wide range of public listed companies and multinational corporations in various industries, which included those in automotive, real estate investment trust, property development and construction, oil and gas, electronics and information technology, freight and shipping, industrial

manufacturing, food and beverages, retail and consumer and banking and financial services. In addition to statutory audits, he had led various engagements that included initial public offerings and reverse takeovers and mergers, local and cross border acquisitions, financial due diligence reviews, as well as provided financial advisory services and review of policies and procedures.

He had served on the Board of MASB for 2 terms from May 2012 to April 2018. He had also served as a member and chaired a few working groups of MASB. He was an examiner for the Regulatory and Financial Reporting Framework examination for the MICPA.

At present he is the Group Finance Director of Can-One Berhad and Box-Pak (Malaysia) Berhad, both of which are listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

He is also an Independent Non-Executive Director of Kerjaya Prospek Group Berhad and LGMS Berhad, both of which are listed on the Main and ACE Markets of Bursa Securities, respectively.



## DIRECTOR'S PROFILE



### Dato' Leanne Koh Li Ann

*Independent Non-Executive Director*



Nationality: Malaysian



Gender: Female



Age: 51

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- Chairperson of the Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Nomination Committee

**Dato' Leanne** is a member of the Chartered Tax Institute of Malaysia and the International Fiscal Association. She graduated from the Australian National University, Australia with a Bachelor of Commerce and a Bachelor of Laws in April 1997. Upon her graduation, she chambered with Lee Hishammuddin Allen & Gledhill (formerly known as Lee Hishammuddin) ("LHAG") and she was called to the Malaysian Bar in February 1998. She worked as a Legal Assistant in the litigation department and the corporate department at LHAG until February 2000, when she resigned from LHAG and took a break from her career.

In June 2000, she joined KPMG Tax Services Sdn Bhd as Tax Consultant. She was promoted to Executive Director and Partner of the company in May 2006. She has over 20 years of experience in providing corporate tax advisory services for domestic and international transactions, including mergers and acquisitions, inbound and outbound investments, initial public offerings and cross border turnkey construction contracts.

Her portfolio of clients included a wide range of public listed companies and multinational corporations in various industries including those in automotive,

real estate investments trust, property development and construction, oil and gas, freight and shipping, ports, industrial manufacturing, food and beverages, hospitality, plantation, securities companies, and banking and financial services.

In September 2020, she joined Mah-Kamariyah & Philip Koh ("MKP") as Partner in the legal firm's corporate, merger and acquisition department where she provided advice on tax related matters in corporate and mergers and acquisitions as well as advice on insolvency, corporate and commercial restructurings. In January 2023, she resigned from MKP.

She is a director of DL Partners Sdn Bhd, which provides business management consultancy services in relation to mergers and acquisition, corporate reorganisation, financial restructuring, capital fundraising via debt and equity, arrangement of financing for acquisitions, strategic business consulting and tax advisory. In addition, she is an Independent Non-Executive Director of Engtex Group Berhad and Inta Bina Group Berhad, both of which are listed on the Main Market of Bursa Securities.

## DIRECTOR'S PROFILE



### Siew Suet Wei

*Independent Non-Executive Director*



Nationality: Malaysian



Gender: Female



Age: 56

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- Chairperson of the Nomination Committee
- Member of Audit and Risk Management Committee
- Member of Remuneration Committee

**Ms. Siew** obtained her professional secretarial degree from the Institute of Chartered Secretaries and Administrators (United Kingdom) in 1993 and was admitted as an Associate Member of the Malaysian Association of Institute of Chartered Secretaries and Administrators (MAICSA) in 1995. She is currently a Fellow Member of the MAICSA and a Chartered Governance Professional.

Ms. Siew was the Group Company Secretary of a property development company listed on the Main Market of Bursa Securities from 1993 to 2009 advising the Board of Directors in corporate governance and compliance issues, particularly on the Listing Requirements of Bursa Securities and Companies Act 2016.

She has more than 25 years of experience in corporate secretarial and advisory work as well investor relation activities. During the course of her career, she has been involved in various IPO exercises, corporate arrangements, fund raising and merger and acquisition activities.

Ms. Siew is currently the Managing Director of a corporate secretarial firm in Kuala Lumpur with a portfolio of clients including companies listed on Bursa Securities.

# KEY SENIOR MANAGEMENT'S PROFILE



## Wang Chia Boon

*Group's General Manager*



**Nationality: Malaysian**



**Gender: Male**



**Age: 49**

**Mr. Wang** is our Group's General Manager. He works with our Chief Executive Officer and Chief Technology Officer in planning the overall organisational strategy, maintaining the business sustainability, and overseeing the day-to-day operations in developing business growth opportunities for the Company. He manages company targets for several departments, working with the department heads of CTS, Software Development Engineering, Business Development and Project Delivery teams to deliver their business goals. He is also leading our Group's human resources and administrative functions.

He graduated from the University of Portsmouth, UK with a Bachelor of Science (Honours) in Computing in 1998.

He began his career at Sunway College Sdn Bhd as a lecturer in September 1998 where he lectured for computer science degree courses and supervised the students' final year projects. In December 1999, he left Sunway College Sdn Bhd and in the same month, he joined Star Cruises Sdn Bhd as IT Officer (Acting IT Manager), where he managed the full-site of IT-related functions, which included the IT infrastructure, network, hospitality solution, membership system, and the management information system of fleet IT. In December 2000, his contract ended and he subsequently left Star Cruises Sdn Bhd.

In January 2001, he joined Shell Services International Sdn Bhd (a subsidiary of Shell group of companies) as Integrated Management Group Technical Lead-Remote Access Services (RAS), where he provided global IT support in telecommunication, remote access, and Microsoft client-server services to Shell group with system environment scope comprising over 110,000 users.

He was subsequently transferred to Shell Information Technology International Sdn Bhd (a subsidiary of the Shell group of companies) with a promotion in January 2004. He assumed the role of Group Infrastructure Development Engineer-Remote Access Services. During his tenure, he in charge of collecting, processing and analysing business unit requirements, planning, technical specification design, and implementation of system architecture/framework for remote access services.

In February 2007, he was promoted as Business Application Management Specialist of Shell Malaysia Trading Sdn Bhd (a subsidiary of the Shell group of companies), where he managed the functional design, application management, and end-to-end service delivery of the Shell Downstream Terminal Automation System implemented in the Shell depots in Middle East, South East Asia and Oceania.

In March 2012, he was promoted and transferred to Shell Business Centre Sdn Bhd (a subsidiary of the Shell group of companies), where he assumed the Global IT Service Manager position. During his tenure, he oversaw the service delivery of cloud-based services known as Shell SharePoint & Most Confidential SharePoint Services to internal and external users of the Shell group.

In May 2020, he resumed his career when he joined Panda Software House Sdn Bhd and assumed his present role as General Manager.

## KEY SENIOR MANAGEMENT'S PROFILE

### Bong Kok Choo

*Business Development  
Director of KK Computer Sdn Bhd*



Nationality: Malaysian



Gender: Female



Age: 52



**Ms. Bong** is the Business Development Director of KK Computer Sdn Bhd. She oversees our Integrated Technology Services department and our Procurement Office, and is in charge of handling procurement, liaising with vendors, customer training and relationship management, primarily for the IT hardware, infrastructure and third-party solutions purchased.

She completed a Bookkeeping – Intermediate Stage course with the Budi Institute, Malaysia in 1994. In 2020, she began pursuing her Bachelor of Accounting at Open University, Malaysia and is expected to graduate by 2026.

Upon graduating from secondary school in 1989, she began her career with Syarikat Chong Trading as an Account and Admin Clerk in July 1990, where she was responsible for handling accounting and administrative tasks, managing inventory as well as providing after-sales support services. In April 1993, she left Syarikat Chong Trading and joined Likom Computer System Sdn Bhd as Clerk in the same month. During her tenure there, she handled administrative functions as well as assisted the engineering department in the application for International Organisation for Standardisation (ISO) certification.

In December 1995, she resigned from Likom Computer System and subsequently joined Hakata Communication Sdn Bhd as Secretary in January 1996, where she was responsible for handling administrative tasks, including organising schedules, and managing payroll and staff databases. In January 1997, she promoted to Head of Account and Admin department, where she in charge of overseeing the Account and Administrative Department of the company, and payroll processing.

In August 1997, she co-founded KK Computer Sdn Bhd with her spouse, Tay Kheng Seng and in October 1997, she assumed the position as Director of Finance and Administration of KK Computer Sdn Bhd, where she assisted in managing the administrative functions of the company, handling customer complaints and maintaining customer and supplier relationships. In December 2009, she was subsequently redesignated to her present position as Business Development Director of KK Computer Sdn Bhd.

Bong Kok Choo is the spouse of Tay Kheng Seng, our Executive Director, and the sister-in-law of Tay Li Li.



## KEY SENIOR MANAGEMENT'S PROFILE



### Keow Yih Yun

*Business Development Director  
of 020 Digital Sdn Bhd*



**Nationality: Malaysian**



**Gender: Female**



**Age: 39**

**Ms. Keow** is our Business Development Director of 020 Digital Sdn Bhd. She is in charge of overall operations of the Omni-channel Engagement solution, which includes developing and executing business development growth plans, establishing and implementing standard business operating processes.

She graduated with a Bachelor of Science in Human Psychology from the Liverpool John Moores University, UK in 2008.

She began her career with Carlson Marketing Group Sdn Bhd (which has been presently acquired by Aimia Proprietary Loyalty Sdn Bhd) as Customer Service and Operation Executive in July 2008. During her tenure, she responsible for identifying and liaising with vendors and suppliers for reward fulfilments, handling procurement of supplies, as well as providing customer sales support services. In May 2009, she was transferred to the Business Management Department and assumed the position of Account Executive, where she undertook marketing consultancy projects which involved liaising with media agencies and analysing clients' competitors and their marketing activities and strategies. She was promoted to Assistant Account Manager and subsequently to Account Manager in April 2011 and January 2012, respectively. Through her career progression, she was gradually made

to be in charge of developing and managing marketing campaigns, negotiating with vendors and suppliers, as well as developing new partnership opportunities for clients. In April 2013, she was promoted to Account Manager - Brands, where she responsible for overseeing and leading the loyalty rebranding projects.

In November 2014, she joined Star Solutions (M) Sdn Bhd as Campaign Manager, where she in charge of managing and overseeing marketing campaigns for various companies.

In May 2016, she joined The Food Purveyor Sdn Bhd (formerly known as Village Grocer Holdings Sdn Bhd) as Marketing Operations Manager in June 2016. In November 2016, she was redesignated to Marketing Manager. During her tenure, she was spearheaded the launch of a digital loyalty application, managed marketing, branding, advertising, promotional, public relations and events related activities for the group.

She subsequently joined Panda Software House Sdn Bhd as Business Development Director (CRM) in March 2019. In January 2021, she was redesignated as Business Development Director (020 Digital Sdn Bhd), which is her present position.

# Notes to Directors' and Key Senior Managements' Profile

## 1. Family Relationships

Save for Mr. Loo Chee Wee, Mr. Tay Kheng Seng and Ms. Bong Kok Choo, none of the Directors and Key Senior Management have any family relationship with any Director and/or major shareholder of the Company.

## 2. Conflict of Interest

Save for Mr. Loo Chee Wee and Mr. Tay Kheng Seng, none of the Directors and Key Senior Management has any personal interest / conflict of interest / potential conflict of interest, including interest in any competent business with the Company and the subsidiary.

## 3. Conviction of Offences

None of the Directors and key Senior Management has been convicted for offences within the past five (5) years other than traffic offences or any public sanction or penalty imposed on him / her by the relevant regulatory bodies during the financial year ended 31 December 2023.

## 4. Attendance at Board Meetings

The details of attendance of the Directors at the Board Meeting are set out on page 40 of this Annual Report.

## 5. Directors' shareholdings

The details of the Directors' interest in the securities of the Company are set out in the Analysis of Shareholdings on page 107 of this Annual Report.

## 6. Directorships in Public Companies and Listed Issuers

Save for Mr. Chan Kam Chiew and Dato' Leanne Koh Li Ann, none of the Directors and Key Senior Management hold any other directorship of public companies and listed issuers.



# CHAIRMAN'S STATEMENT

## Dear Shareholders,

“ On behalf of the Board of Directors, it is my pleasure to present our first Annual Report and Audited Financial Statements of Panda Eco System Berhad and its subsidiaries (“Panda Eco System” or the “Group”) for the financial year ended 31 December 2023. As a newly listed entity, we are proud to share this report and provide insights into the performance of the Group. ”

**Yap Chee Kheng**

*Independent Non-Executive Chairman*



### A New Beginning

The financial year ended 2023 (“FYE 2023”) has been an exciting and progressive year for the Group as we take a significant step forward in our corporate history. On 27 November 2023, we celebrated our successful Initial Public Offering (“IPO”) and became a public listed company on the ACE Market of Bursa Malaysia Securities Berhad. This transition from a private entity to a public listed company represents more than just a financial milestone; it is a testament to the collective efforts, dedication, and belief in our vision for a sustainable future. This milestone represents a monumental leap forward, opening new avenues for growth and opportunities. Being listed amplifies our visibility and profiling, fostering increased confidence among our potential and existing customers, and solidifying our market presence. It also shows our commitment to governance, transparency, and accountability. Moreover, the RM17.50 million gross proceeds raised through the Public Issue will accelerate the Group’s expansion plans, paving the way for greater achievements in the future.

### Overview of Financial Performance

I am delighted to report that Panda Eco System recorded a revenue of RM23.77 million for FYE 2023, representing a growth of 13.3% year-on-year compared to FYE 2022. Our revenue growth was a result of our team’s efforts in securing new clients and the seamless integration and successful deployment of our Retail Management Eco-system to support existing clients’ business expansions. The Group recorded Profit After Tax (“PAT”) of RM4.30 million, after deducting one-off listing expenses amounting to RM1.75 million. Excluding these listing expenses, the Group’s PAT would have been RM6.05 million. Furthermore, our recurring revenue grew from 40.5% in FYE 2022 to 42.8% in FYE 2023, reinforcing the visibility of our business. As of 31 December 2023, the Group’s balance sheet remains robust with no borrowings and a net cash position of RM29.69 million.

# CHAIRMAN'S STATEMENT

## Outlook and Prospects

As a newly minted public listed company, Panda Eco System is thrilled to embark on the next phase of our growth journey. We are encouraged by the heightened demand and queries for our retail management solutions, which reaffirms our confidence in the growing demand for retail software solutions. We believe that digitalisation within the retail sector is inevitable and will continue to shape both the present and future of the industry. Therefore, it is imperative for retailers to embrace technology and implement robust solutions to stay relevant and ahead of the curve. This presents a significant growth opportunity for Panda Eco System. Retailers can leverage on our solutions to adapt to the evolving retail landscape and thrive by meeting the dynamic expectations of both consumers and suppliers.



**16 sen per share**  
IPO price



**153.5 times**  
IPO's oversubscription rate

The Board is optimistic that the growth strategies, which includes the development of enhanced solutions, resource expansion and geographical growth, will boost the Group's competitiveness, and build our brand name not only in Malaysia, but also regionally.

## Empowering Retail Excellence, Shaping a Sustainable Tomorrow

The Group strives to maintain a delicate balance between driving growth and fostering a sustainable business. Our goal is to not only to deliver exceptional results but also to incorporate sustainability considerations into every aspect of our business. We are actively evaluating our priorities within the environmental, social, and governance framework and creating strategic plans to seamlessly integrate sustainable practices into our operations.

I would like to invite you to read about our comprehensive Sustainability Statement in this Annual Report, to learn more about our sustainability initiatives.

## Appreciation

To our esteemed shareholders, investors, customers and business associates, we want to express our sincere appreciation for your unwavering support and trust. Your confidence in our vision has been the driving force behind our growth and motivates us to create a positive impact in the retail ecosystem solutions space. We also wish to extend our gratitude to our dedicated Board members, whose strategic guidance and vision have been instrumental in steering Panda Eco System towards success. We commend the commitment and continuous contributions of our management team and all employees, whose hard work, loyalty, and passion for our mission have created a vibrant and collaborative work environment, laying the foundation for our achievements.

As we reflect on our journey, we are humbled by the collective efforts of everyone involved in Panda Eco System since our inception, to our status as a listed entity. Your contributions, both seen and unseen, have moulded our company into the entity it is today.

## Looking Ahead

As we stride into FYE 2024, Panda Eco System stands poised for continued success with unwavering optimism and renewed vigour. The achievements of the past year have set the stage for even greater accomplishments in the future. We are excited about the prospects that lie ahead, driven by our commitment to innovation, sustainability, and delivering exceptional value to our stakeholders.

As we plan our path, we remain steadfast in our mission to support retail excellence and shape a sustainable tomorrow. With the support of our customers, shareholders, business associates, and the collective efforts of our talented team, we embark on this journey with confidence, knowing that the best of Panda Eco System is yet to unfold.

**Yap Chee Kheng**  
Independent Non-Executive Chairman



# MANAGEMENT DISCUSSION AND ANALYSIS

## CEO'S FOREWORD



At Panda Eco System Berhad (“**Panda Eco System**” or “**the Company**”), our vision is to establish retail best practices and redefine our customer’s retail management experience. At the heart of our mission is the unwavering commitment to simplify the complexities of retail management through our comprehensive suite of solutions. Challenges faced by retailers today are multifaceted, ranging from operational intricacies to customer engagement strategies. On top of navigating the ever-changing landscape, retailers need to swiftly adapt to shifting consumer demands on enhanced payment options as well as personalised and efficient customer interactions. To further streamline the retail ecosystem, digitalising processes with suppliers will be crucial for greater efficiency, fostering seamless interactions.

Panda Eco System’s in-house retail management solutions comprehensively address all aspects of the retail eco-system, including HQ centralised management, store operations, financial management, supplier management, and the seamless enhancement of consumers’ experience. With the retail industry rapidly adopting technology to meet the evolving expectations of both consumers and suppliers, Panda Eco System is well-positioned to capitalise on this growth by leveraging our Retail Management Eco-system solutions.

## SUMMARY AND OVERVIEW OF THE GROUP'S BUSINESS

Panda Eco System and its subsidiaries (the “**Group**”) is a technology solutions provider specialising in retail management solutions. Founded in Melaka, Malaysia, in 2003, our Group has established a reputation for delivering comprehensive retail solutions widely used by retail chain stores throughout the country. To complement our core business operations, we are also involved in trading third-party software and IT hardware, as well as providing software customisation and implementation services.

With over two decades of experience in this field, the Group has built a comprehensive suite of solutions, which forms a Retail Management Eco-system to manage and enhance

various facets of retail operations, including point of sale (POS), warehouse and inventory, supply chain, customer relationships, and financial reporting. This comprehensive retail-centric solution enables the Group’s customers to seamlessly interconnect data across different facets of the retail chain, as well as with their network of retail stores and suppliers.

As at the end of 2023, the Group has implemented the Retail Management Eco-system for a total of 1,561 retail stores operated by approximately 153 retailers across Peninsular & East Malaysia, Batam and Brunei.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS SEGMENTS

The Group's business operations comprise of the segments below:

### HQ CENTRALISED MANAGEMENT, STORE OPERATIONS & FINANCIAL MANAGEMENT SOLUTION



Solutions which enable our customers' headquarters to oversee and monitor their overall business operations, including the daily activities of their network of retail stores, POS management, and financial information management.

### XBRIDGE B2B SOLUTION



Supply chain portal which facilitates electronic document exchange between retailers and suppliers, enabling paperless operations through the digitalisation of relevant transaction documents.

### OMNI-CHANNEL ENGAGEMENT SOLUTION



Solutions which facilitate the comprehensive management of retailers' marketing and sales channels. This includes enabling Customer Relationship Management (CRM), overseeing e-commerce platforms, mobile applications, digital content, and managing delivery assignments for orders placed through e-commerce platforms.

### OTHERS



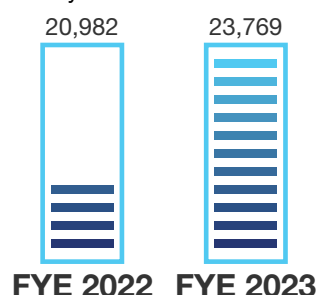
Trading of third-party software and IT hardware, as well as providing software customisation and implementation services which supports implementation of our retail management solutions projects.

■ Solutions comprising our in-house developed Retail Management Eco-system

## REVIEW OF FINANCIAL PERFORMANCE

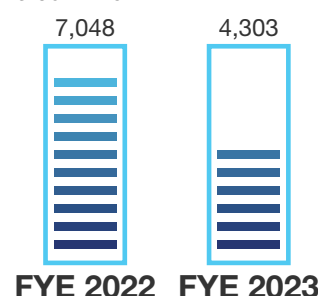
### REVENUE (RM'000)

For the financial year ended 31 December 2023 ("FYE 2023"), the revenue of the Group increased to RM23.77 million from RM20.98 million in the financial year ended 31 December 2022 ("FYE 2022"), representing a growth of RM2.79 million or 13.3%. This growth was mainly driven by the increase in revenue contribution from our Retail Management Eco-system.



### PAT (RM'000)

The Group recorded a Profit After Tax ("PAT") of RM4.30 million in FYE 2023, 38.9% lower than RM7.05 million achieved in FYE 2022. The lower PAT was mainly due to the IPO expenses amounting to RM1.75 million coupled with higher salary costs incurred during the year. Adjusting for the one-off listing expenses, the Group's PAT would have been RM6.05 million.

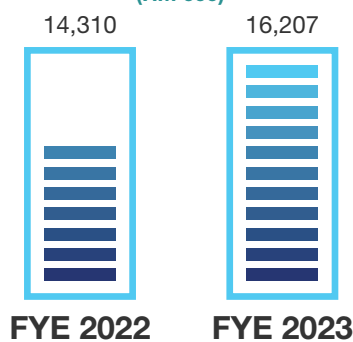


# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

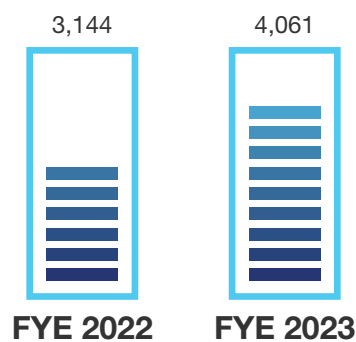
### Segmental Revenue Contribution

#### HQ CENTRALISED MANAGEMENT, STORE OPERATIONS & FINANCIAL MANAGEMENT (RM'000)



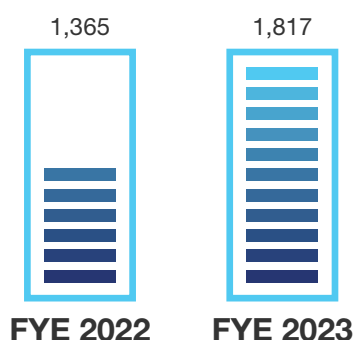
Revenue increased by RM1.90 million or 13.3% mainly due to the increase in one-off income from the sales of solutions to 356 new retail chain stores secured in FYE 2023 as well as increase in recurring software license maintenance fees charged to 256 new retail stores which we secured in FYE 2022.

#### XBRIDGE B2B SOLUTION (RM'000)



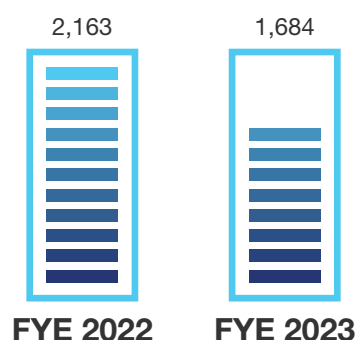
Higher revenue by RM0.92 million or 29.2% mainly from the addition of 4 retailers onboarded in FYE 2023. This resulted in higher registration fees and usage fees which is driven by the volume of documents.

#### OMNI-CHANNEL ENGAGEMENT (RM'000)



Revenue increased slightly by RM0.45 million or 33.1% mainly due to higher recurring subscription fees where 13 new customers were secured in FYE 2023. This contributed to higher total number of CRM member registrations and increase in one-off project implementation charges due to provisions of SMS credit sales.

#### OTHERS (RM'000)



Revenue declined by RM0.48 million or 22.1% mainly due to Auto Count Sdn Bhd fostered competitive pricing in FYE 2022, resulting in revenue normalisation in FYE 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

### Financial Position

As at FYE 2023, the total assets of the Group has increased by RM22.09 million or 134.0% to RM38.57 million mainly due to the proceeds received from the IPO exercise in the end of November 2023, which are pending utilisation. These monies were placed in interest earnings deposits. Total liabilities of the Group recorded an increase of RM2.23 million or 57.6% to RM6.10 million as at FYE 2023 due to increase in other payables, deposits received from customers (contract liabilities) and accruals. The equity attributable to the owners of the Group has increased to RM32.47 million in FYE 2023 from RM12.61 million in FYE 2022.

### Cash Flow

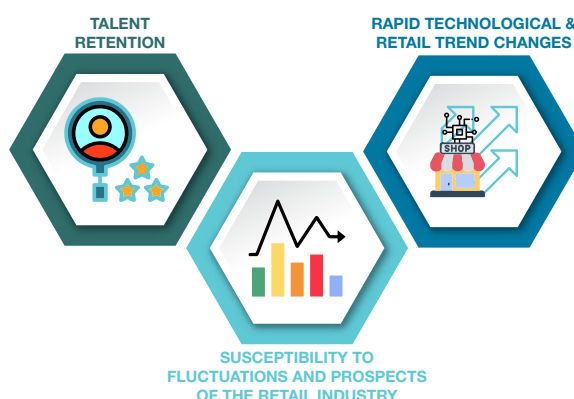
The Group continues to generate positive operating cash flow from operations. In FYE 2023, the Group registered net operating cash inflow of RM4.57 million.

Overall, the cash and cash equivalents of the Group in FYE 2023 have increased by RM18.86 million or 174.1% to RM29.69 million from RM10.83 million in FYE 2022. This is mainly due to the cash proceeds from the listing exercise. The Group will continue to engage in prudent financial management to conserve cash for future business expansion, dividends payments, and to maintain an adequate level of liquidity and cash flows for working capital needs.

### Dividends

The Company has yet to adopt a formal dividend policy and our primary focus has been on consolidating our financial position, fortifying our market presence, and strategically reinvesting in the expansion and growth of our business operations. We intend to continue to strike a balance between maintaining sufficient capital for our business expansion as well as to reward our shareholders.

## ANTICIPATED OR KNOWN RISKS



### TALENT RETENTION

The demand for technical competency is high within the technology industry, hence our success in software development, project implementation, business development, and after-sales support services hinges on our ability to attract, hire, and retain qualified and experienced technical personnel. The heightened competition and challenges in recruiting and retaining suitable technical talents pose a risk to us.

To mitigate this risk, we actively strive to retain and nurture our skilled talent through various strategies. This includes promoting employee wellness and work-life balance. We ensure competitive compensation packages, complemented by additional incentives such as health insurance and dental/optical benefits. Moreover, we encourage our employees to participate in out-of-work activities such as team-building events, company trips, and sports. Additionally, we invest in our talent pool through technical training to enhance their professional development which could improve their knowledge, performance and productivity.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ANTICIPATED OR KNOWN RISKS (CONT'D)

### SUSCEPTIBILITY TO FLUCTUATIONS AND PROSPECTS OF THE RETAIL INDUSTRY

Our Retail Management Eco-system is tailored to meet the needs and requirements of the retail industry. As such, our customer base comprises mostly retailers including grocery retail stores, convenience stores, general merchandise retail stores and specialty stores as well as retail product suppliers. Therefore, our performance is dependent upon the retail industry's continued sustenance, and any challenges and/or decline faced by the retail industry may adversely impact our Group's business operations and financial performance.

Having said that, we draw confidence from an optimistic outlook presented by various parties, including Retail Group Malaysia, which anticipates the retail industry to rebound by 3.30% to 3.50% in 2024. In addition, we are further expanding our footprint in Indonesia and planning to venture into the Philippines, a strategic move aimed at diversifying and reducing our dependency on the domestic retail industry.

### RAPID TECHNOLOGICAL & RETAIL TREND CHANGES

Retail management solutions are susceptible to frequent introductions and enhancements of new solutions and new retail industry trends. Rapid technological advancements may lead to the need for continuous updates and innovations, and failure to keep up could result in outdated solutions. Besides that, retail industry is relatively dynamic, and constantly evolving hence it is crucial that our retail management solutions are able to meet the changing requirements of the retail industry.

To mitigate this risk, we proactively study and seek to understand emerging trends in the retail industry. This allows us to develop new solutions or enhance existing modules as deemed necessary to remain competitive.

## OUTLOOK AND GROWTH STRATEGIES

In the dynamic retail landscape, technology has become an indispensable catalyst. The increasing adoption of technology by retailers, not just for survival but to thrive and stay competitive, creates a significant growth opportunity for the Group.

The demand for retail management solutions is typically expected to grow in tune with the expansion of the retail sector. With the GDP projected to expand at 4.4% in 2024, the outlook for the retail sector remains positive with expected growth rates above 3%. This potential growth prospect could induce retailers to expand their footprint, opening more retail stores, consequently heightening the demand for retail management solutions.

Additionally, the Inland Revenue Board of Malaysia (IRBM) planning to introduce e-invoices as part of the national taxation system and this could serve as a catalyst for retailers to adopt a comprehensive retail solutions ecosystem that can seamlessly integrate various facets of the business, from operations to accounting and financial management.

We anticipate demand for retail management solutions to remain sustained, propelled by businesses' rapid adoption of digitalisation in pursuit of higher efficiency. Through our solutions, we aim to facilitate efficient expansion and scalability, supporting retailers in overcoming the complexities inherent in the industry.

To capture this promising potential, the Group will undertake the following:

#### i. New Solutions

Among our key strategy is to continuously develop new innovative solutions to cater to the ever-changing retail requirements. We are planning to launch cloud-based modules, which will enable our retail management solutions to be accessible over the internet. We will also be introducing a comprehensive Business Analytics Dashboard, Sub-let Rental Management Module and Retail Income Management System, providing our clients with enhanced insights for informed decision-making. Additionally, we are set to unveil our new e-invoicing platform, aimed at facilitating our clients' seamless transition to comply with the new e-invoice regulations mandated by the Malaysian government. As a substantial portion of our customers are required to implement e-Invoice by August 2024, we are optimistic about the potential demand for our e-invoicing solution.



# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK AND GROWTH STRATEGIES (CONT'D)

To capture this promising potential, the Group will undertake the following: (cont'd)

### ii. Workforce Expansion

To support our growth plans, we will be actively recruiting additional software development engineers and customer technical support personnel. This strategic hiring initiative is integral to fortifying our team and ensuring that we have the necessary expertise to drive innovation and seamless implementation of our solutions.

### iii. Business Expansion

As we expand our operations and staff strength, we are also investing in the construction of our new headquarters in Melaka. Furthermore, we are establishing new offices in Kuala Lumpur and Penang. These new offices are designed to provide more efficient customer service and support services to our customers in other states in Malaysia. Our future plans are not only geared towards enhancing our technological capabilities but also towards strengthening our operational infrastructure and geographical reach, laying a solid foundation for sustained growth and success.

### iv. Regional Expansion

Besides our plans to capture more market in Malaysia, we also have plans to expand our footprint within the ASEAN region. Our expansion plans within the ASEAN region are strategically focused on Indonesia and the Philippines. Currently, we already serve clients in Batam, Indonesia, and Brunei, and this year, we successfully onboarded a new retail chain store from Indonesia, further solidifying our presence there. The decision to target Indonesia and the Philippines is grounded in the geographical proximity and cultural similarities between these countries to Malaysia. Recognising the shared challenges faced by retailers in these markets, we believe our solutions are well-suited to address their needs and contribute to their operational efficiency. Furthermore, with the burgeoning population size and developing economy in these countries, we foresee robust support propelling the retail industry growth.

By 2025, we aim to establish two new service hubs, one in Indonesia and another in the Philippines. We are excited about the prospects of extending our footprint in these markets and the opportunities that lie ahead.

## ACKNOWLEDGEMENTS & CONCLUSION

The exceptional achievements of Panda Eco System Berhad in this remarkable year are the direct outcome of the unwavering dedication and collective efforts of our team. My sincere appreciation goes to our colleagues, partners, customers, regulators, and suppliers for their invaluable contributions and steadfast support. It is with gratitude that we acknowledge your pivotal role in propelling the Group to attain unprecedented milestones in our corporate journey. As we embark on the path ahead, we look forward to your continued collaboration and support.

# SUSTAINABILITY STATEMENT

“ Panda Eco System Berhad firmly believes in building a business that integrates sustainability aspects, such as Environmental, Social, and Governance, into our business operations. As a newly listed entity, we are working to enhance our sustainability reporting and proactively establishing a comprehensive framework to track and compile relevant ESG data. Our goal is to strengthen our reporting capabilities and drive sustained value creation in environmental, social, and governance matters. We are committed to maximising our impact and contributing positively to the broader community and stakeholders. ”

**Loo Chee Wee**

*Chief Executive Officer/  
Executive Director*



# SUSTAINABILITY STATEMENT

## About This Sustainability Statement

This is the inaugural Sustainability Statement of Panda Eco System Berhad and its subsidiaries (herewith referred to as “Panda Eco System” or the “Group”) for the financial year ended 31 December 2023 (FYE 2023). As a committed and responsible corporate citizen, the Group is dedicated to continuously enhancing the sustainability aspects of our business operations. This Sustainability Statement (“Statement”) reflects our unwavering dedication and ongoing journey towards sustainability excellence within our Group.

- **Scope of this statement**

This Statement encompasses the review on businesses of Panda Eco System. This comprehensive scope enables a holistic assessment of the Group’s sustainability performance across its operations. It aims to offer our stakeholders with an insightful overview of the Group’s sustainability practices and approach to addressing environmental, social, and governance (“ESG”) issues.

- **Period**

This Sustainability Statement covers the period from 1 January 2023 to 31 December 2023 (“**FYE 2023**”) unless otherwise stated.

- **Limitations and Exclusions**

This statement has undergone internal review by our team but has not undergone specific review by internal auditors or external assurance by independent parties. The Group has instead conducted an internal review of non-financial, sustainability-related data, gathering insights from the respective data owners within the Group.

## Feedback

In our ongoing pursuit of enhancing sustainability initiatives, we actively encourage our stakeholders to share feedback on our report and the issues discussed. Your input is invaluable as we strive to improve our sustainability efforts continuously. We welcome you to reach out with your comments, inquiries, or suggestions about our Group by emailing us at [enquiry@pandasoftware.my](mailto:enquiry@pandasoftware.my). Your input is highly valued as we continue to strengthen our commitment to sustainability.

## Sustainability Governance

The Group acknowledges the critical role of effective governance in ensuring the success of our sustainability journey. Our Group’s sustainability initiatives, encompassing strategic direction, operational efforts, and performance outcomes are under the purview of the Board. Our Board Charter delineates the Board’s responsibilities, including assessing both directors and senior management’s effectiveness in managing material sustainability risks and capitalising on opportunities for the Group’s advancement. The management team, under the leadership of the CEO are responsible for designing, implementing, and improving the overall sustainability efforts of the Group. The Group will carefully assess sustainability matters that are significant to the Group when crafting future sustainability initiatives and strategies.

# SUSTAINABILITY STATEMENT

## Stakeholder Engagement

We acknowledge that effective stakeholder engagement is crucial to seamlessly integrating sustainability aspects and expectations into our Group's business operations, ensuring our long-term success. Stakeholders are individuals, groups, or other entities that could potentially have influence on and/or be impacted by our business activities. It's vital for our Group to uphold consistent and effective communication with stakeholders, enabling us to comprehend their concerns and expectations as well as address these issues continuously. Through our identification process, we have identified six (6) key stakeholders who could be affected by or influence the Group's operations.

The table below summarises our key stakeholders, engagement methods and frequency, and material topics of concern.

Stakeholder Group	Area of Interest	Engagement Approach
Employees	<ul style="list-style-type: none"> <li>• Career Development</li> <li>• Job Security</li> <li>• Competitive Remuneration &amp; Benefits</li> <li>• Equal Opportunity</li> <li>• Diversity and Inclusions</li> <li>• Talent Management</li> <li>• Work-life Balance</li> <li>• Labour &amp; Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Technical &amp; Soft Skill Trainings</li> <li>• Annual Appraisal</li> <li>• Newsletter, Email Communication &amp; Social Media</li> <li>• Formal and Informal Meetings/Discussions</li> <li>• Staff Engagement Sessions</li> <li>• Festive Season Programmes</li> </ul>
Shareholders, Investors & Analysts	<ul style="list-style-type: none"> <li>• Group's Performance &amp; Prospects</li> <li>• Business Outlook</li> <li>• Growth Strategies</li> <li>• Shareholders Value</li> <li>• ESG Practices &amp; Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Annual / Extraordinary General Meetings</li> <li>• Company Announcements</li> <li>• Investors Briefing</li> <li>• Financial Results</li> <li>• Annual Report</li> <li>• Corporate Website</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Customer Satisfaction</li> <li>• Service Quality</li> <li>• Retaining long-term relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Technical Support</li> <li>• Timely delivery of projects</li> <li>• Feedback Mechanism</li> </ul>
Suppliers and Vendors	<ul style="list-style-type: none"> <li>• Consistent &amp; timely delivery of equipment</li> <li>• Sustainable business practices</li> <li>• Retaining long-term relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Virtual &amp; physical communications</li> <li>• Constant &amp; regular communications</li> <li>• Supplier performance evaluation</li> </ul>
Government & Regulatory Authorities	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Compliance with relevant rules &amp; Regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible reporting &amp; communications</li> <li>• Audits &amp; Inspections</li> <li>• Meetings</li> <li>• Dialogues</li> </ul>
Community and Public	<ul style="list-style-type: none"> <li>• Collaboration with universities</li> <li>• Local socio- economic development</li> <li>• Environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Internship Placement</li> <li>• Memorandum of Understanding</li> <li>• Innovation Programmes</li> <li>• Website</li> <li>• Feedback Channel</li> </ul>

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL

The Group acknowledges that environmental sustainability is not only crucial for preserving the planet's wellbeing but is also progressively emerging as a vital factor in ensuring the long-term success and resilience of any business. Despite our minimal environmental impact, we believe that adopting a sensitive and proactive approach to environmental issues will effectively assist the Group in further reducing risks, enhancing efficiency, and ensuring long-term viability. As a group committed towards environmental sustainability, we will continually explore ways and initiatives to support the global commitment to combating climate change.

### Resource-Efficient Solutions

Our Retail Management Eco System facilitates the seamless integration of information across various departments within the retail stores, enabling enhanced automation and digitalisation. This results in lower paper usage in our customers' daily operations, which contributes positively to the environment. As an example, our B2B solutions facilitate paperless operations by digitalising documents exchanged between retailers and suppliers. This reduces paper usage, simplifies communication, and minimises wastage for our customers.

### Emissions

We recognise the crucial importance of a collective commitment in reducing carbon footprints and are fully committed in addressing the environmental risks associated with greenhouse gas ("GHG") emissions. Despite minimal environmental impact from providing Retail Management Eco System solutions & services, we are determined to continuously pursue initiatives that will positively contribute to reducing the global carbon footprint.

### Energy Management

In our operations, electricity is predominantly utilised at our headquarters and service hubs to power lighting, air conditioning, workstations, and servers. Although our business operations do not directly contribute to GHG emissions, we acknowledge that energy consumption could indirectly increase our carbon footprint. Therefore, our Group is committed to continuous improvement in energy management through initiatives aimed at enhancing energy efficiency.

### Green Energy Project

One key initiative undertaken by the Group to reduce our energy consumption directly from the main grid is implementing our Green Energy Project. In May 2022, we completed the installation of a 25.5-kilowatt peak ("kWp") rooftop solar power system at our headquarters. By implementing this solar power system, we aim to decrease our reliance on the main grid, thereby indirectly reducing our carbon footprint associated with electrical consumption.



**64,230 kwh**

of electricity generated since installation



**50,099 kg<sup>(1)</sup>**

of CO<sub>2</sub> removed



**1,252 trees<sup>(2)</sup>**

equivalent required to absorb CO<sub>2</sub>

<sup>(1)</sup> Based on 2019 Malaysia Grid Emission Factor (GEF) of 0.78 tCO<sub>2</sub>/MWh

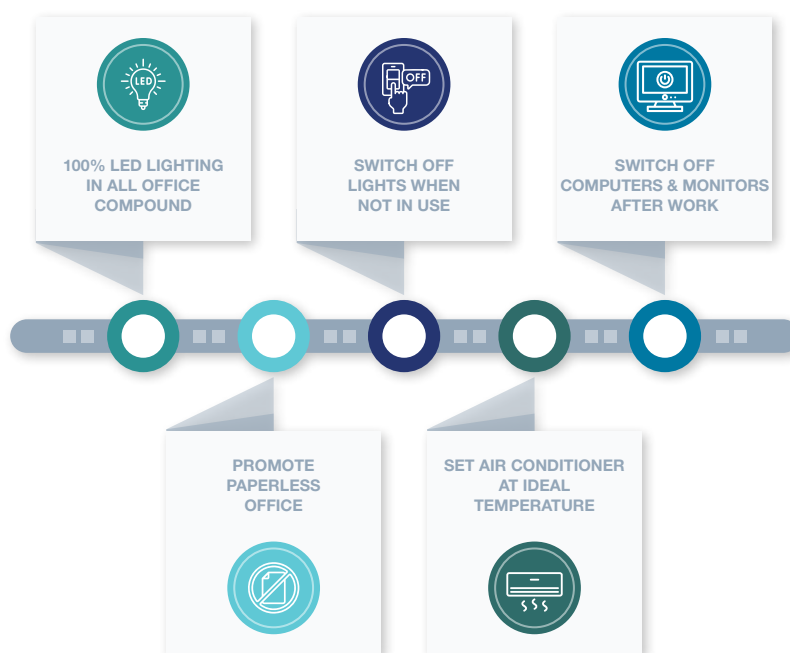
<sup>(2)</sup> Based on the estimation that 1 mature tree can absorb 0.04t CO<sub>2</sub> per year



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL (CONT'D)

Besides that, we are also continuously cultivating an energy-saving culture among our employees. Some of the energy-saving practices at our workplace are as follows:



## Water Management

The Group is cognisant of the importance of water as a vital and valuable resource. As we do not engage in any manufacturing activities, the Group's operations involve minimal water consumption, primarily for employee usage at our headquarters and service hubs. Despite our minimal water consumption, we encourage our employees to practice prudent water usage and avoid wasting water. Water is supplied by the state-owned water utilities company, and our operations do not involve direct withdrawal from any water bodies, such as rivers. The Group also does not have significant water discharge, which is mostly a result of domestic use in our offices and service hubs. The wastewater is discharged into the sewage treatment plant.

## Waste Management

Our Group's operations do not generate significant quantities of waste. We generate minimal waste from the packaging of IT hardware and equipment, as well as from office use, such as paper. However, we are committed to managing our resources efficiently and minimising waste. Some of the efforts that we have undertaken are as follows:

### I. Reusing IT Hardware

We constantly monitor the end-of-life cycle of our IT hardware by assessing whether production of certain hardware will be discontinued and/or if it remains relevant or up-to-date. Instead of disposing of IT hardware nearing the end-of-life cycle, we repurpose it for low-priority and non-critical operations, such as data entry, application testing, and IT productivity processing.

### II. Donating Retired IT Hardware and Equipment

We will donate IT hardware, including server racks that are no longer in use due to changes in requirements for specifications, as well as equipment such as training chairs and whiteboards, to universities or other entities in need of such resources.

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL (CONT'D)

### Waste Management (Cont'd)

#### III. Encouraging Digitalisation and Recycling

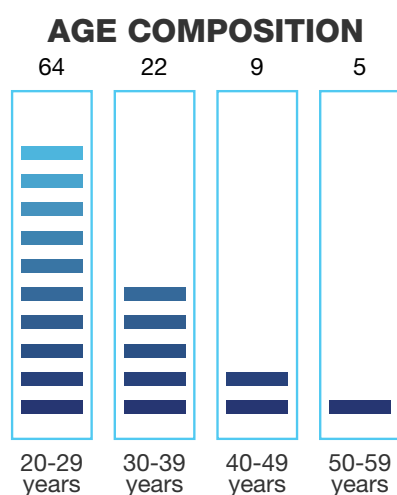
To minimise our carbon footprint, we encourage our employees to prioritise electronic communication methods, such as email and instant messaging and only use hard copy printing when necessary. Our Group also ensures that waste is recycled where possible, and that non-recyclable waste is disposed off responsibly.

## SOCIAL

The Group recognises our human capital as our most valuable asset, which has played a pivotal role in our success thus far. We are committed to continuously exploring strategies and plans to attract and retain top talent, offering competitive pay and benefits. Moreover, we are dedicated to fostering a dynamic working environment and providing ample professional and personal growth opportunities, ensuring our team's continued success.

### Diversity & Non-Discrimination

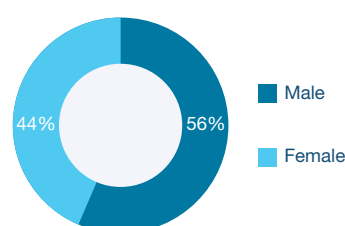
Panda Eco System is committed to creating a workplace which is inclusive and free from any form of discrimination. Our commitment to eliminate discrimination within our Group is embedded within our Code of Conduct, and any breach by employees in this matter will be subject to disciplinary action. Our Code of Conduct unequivocally prohibits any form of discrimination in the workplace or on the job, including but not limited to race, skin colour, age, gender, ethnicity, disability, pregnancy, religion, political affiliation, or marital status. Our hiring and employment practices, including decisions related to salary, promotions, rewards, and access to training, are strictly based on meritocracy principles. In FYE 2023, The Group has a total of 100 employees. The breakdown of the diversity of employees across gender, ethnicity, and age groups is shown below.



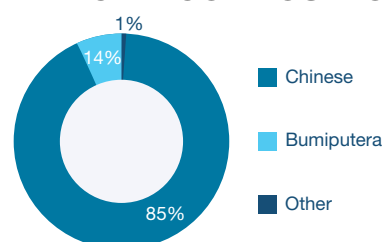
**100**

Total Employees as at  
31 December 2023

### GENDER COMPOSITION



### ETHNICITY COMPOSITION



# SUSTAINABILITY STATEMENT

## SOCIAL (CONT'D)

### Whistle Blowing Policy

We are committed to addressing and preventing workplace bullying in a proactive and thorough manner. We have put in place a confidential reporting channel where any breach of the Code of Conduct, including workplace harassment can be addressed directly to the Chairman of our Audit and Risk Management Committee. The identity of the whistleblower will remain anonymous and will only be disclosed if required by the law. In FYE 2023, there were no reports of harassment incidents.

### Training & Development

The Group actively promotes continuous upskilling among employees through training and development initiatives. We believe this is essential not only for improving job performance but also for staying competitive and relevant in the technology industry. The Group sets a minimum number of training hours per calendar year for all employees, with courses recommended by managers and approved by the key management team. These efforts aim to support employees' professional development, enhance their performance, productivity, and future marketability.



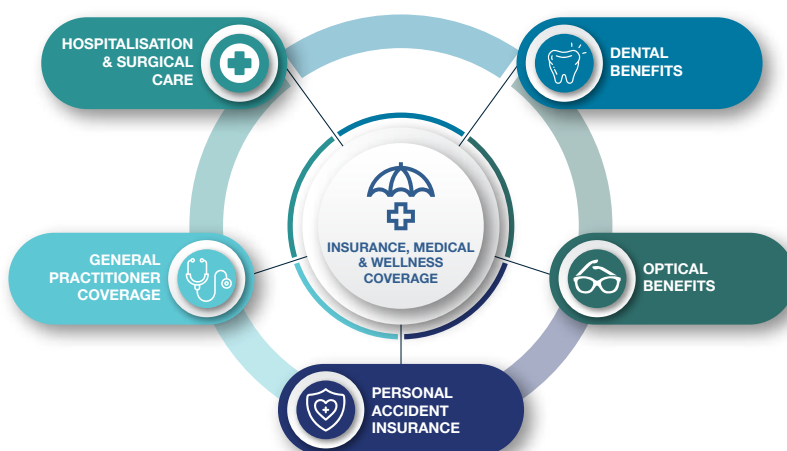
Total Training Hours  
**1,378 HOURS**

Total Employees Attended  
**97 EMPLOYEES**

Avg. Training Hours Per Employee  
**14.2 HOURS**

### Employee Benefits & Welfare

The Group aims to reward our talent competitively by going beyond the government's required minimum wage to attract and retain our talents. We believe that our comprehensive remuneration packages will not only support our employees in achieving reasonable lifestyle standards but also promote a healthy work-life balance. Our remuneration packages are inclusive of basic salary, annual increments, and bonuses subject to the job performance of each individual employee. In addition to the essential employment benefits mandated by laws and regulations, our Group offers additional health and welfare benefits to employees. This reflects our commitment to fostering a caring and supportive community within our organisation. The benefits and privileges provided to our employees are summarised as follows.



# SUSTAINABILITY STATEMENT

## SOCIAL (CONT'D)

### Healthy Work Atmosphere

We aim to cultivate a work culture that fosters collaboration, and our office is designed with open-space seating arrangement. This intentional layout encourages spontaneous interactions, improves communication, and promotes a sense of unity among team members, ultimately enhancing creativity and teamwork. In addition to fostering a collaborative work culture, we prioritise employee wellness and work-life balance. To support this, we have established a social hub at our headquarters, complete with a gym, television, pool tables, and other recreational facilities. The social hub is designed not only to encourage employees to stay active but also to facilitate social interactions among colleagues and help them unwind from work-related stress. We also organise out-of-work events to strengthen team bonding, such as sponsoring sports events and annual company trips. These initiatives aim to reward our employees for their hard work and dedication while nurturing a stronger sense of team spirit.

#### BADMINTON TOURNAMENT



#### YOGA CLASSES



#### 5S TRAINING



#### GYM EQUIPMENT

# SUSTAINABILITY STATEMENT

## CORPORATE GOVERNANCE

We believe that strong corporate governance is at the core of success for any business to sustain and thrive in the long term. It is also essential to ensure that the Group constantly acts in the best interests of all stakeholders to be able to enhance shareholder value. Panda Eco System is dedicated to conducting our business ethically, and unwaveringly upholding the highest standards of integrity and accountability.

To instil the highest standards of corporate governance, the Group has put in place policies and procedures which serve as guidance for our employees, management, and board of Directors. Some of the key policies are as follows:

- I. Code of Conduct
- II. Anti-Bribery and Corruption Policy
- III. Fit and Proper Policy
- IV. Whistleblowing Policy and Procedures

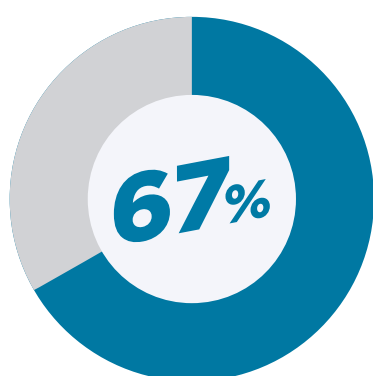
These policies are publicly available at <https://panda-eco.com/governance-meetings>. In this Annual Report, we have further detailed our corporate governance approach and practices in our Corporate Governance Overview Statement ("Statement").

### Anti-Bribery and Corruption ("ABC") Policy

The Group has established an Anti-Bribery and Corruption Policy that defines policies, procedures, and controls, ensuring our business operations are conducted ethically and professionally. This policy underscores our zero-tolerance approach towards any forms of bribery and corruption. To ensure robust enforcement, we have institutionalised a governance structure where the Board of Directors holds ultimate responsibility for the ABC Policy on a group-wide basis.

### Board Governance

The Group places a strong emphasis on maintaining an independent and diverse Board of Directors. Our goal is to ensure that the Board comprises individuals with a wide range of backgrounds, experiences, and perspectives, leading to greater effectiveness and transparency. We firmly believe that this diversity and independence is critical for the Board to make informed, strategic decisions that ultimately benefit the organisation and its stakeholders.



**4 out of 6**  
Independent Directors



**Independent  
Non-Executive Chairman**

**100%**

**Independent  
Board Committees<sup>(1)</sup>**

**33%**

**Female Representation  
In Board**

<sup>(1)</sup> Board Committee comprised of Audit & Risk Management, Nomination and Remuneration Committee.