



PANDA ECO SYSTEM BERHAD

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



EXPLORING INNOVATIONS UNLOCKING TOMORROW

ANNUAL REPORT 2024

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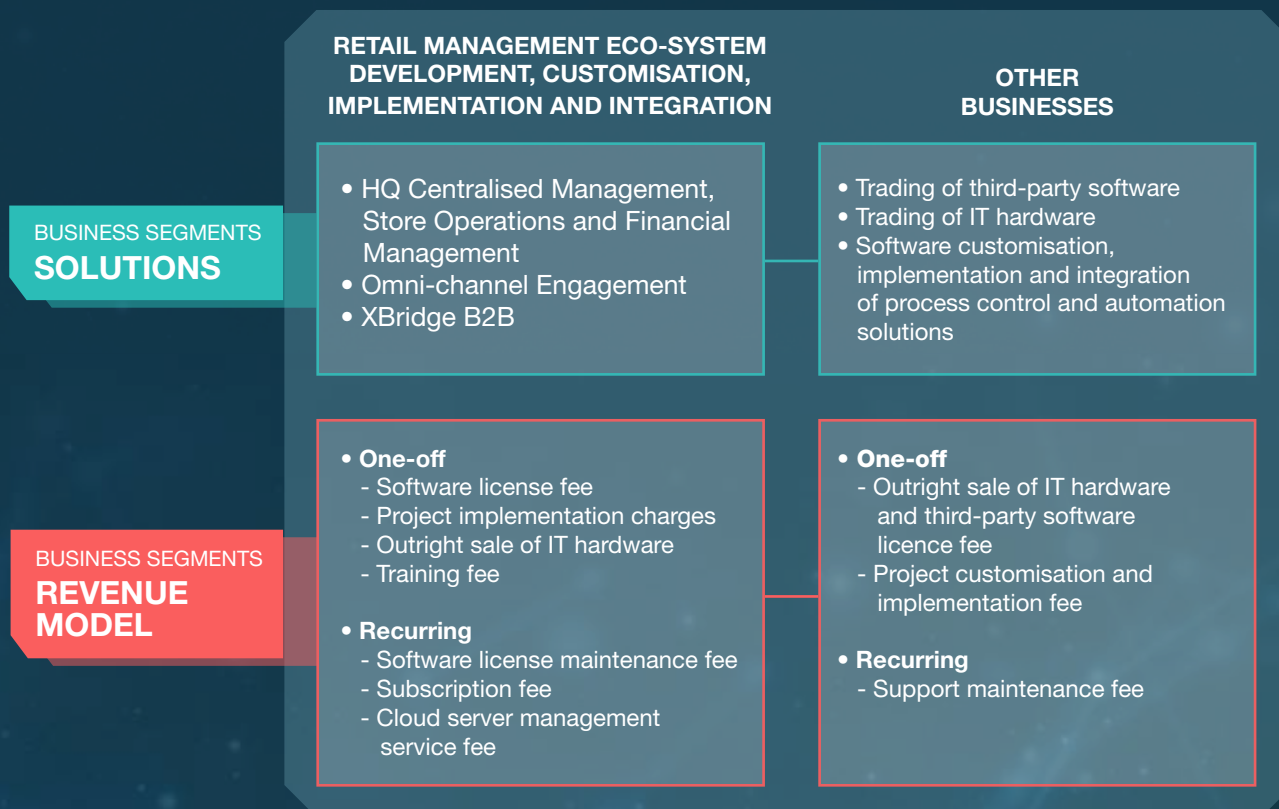
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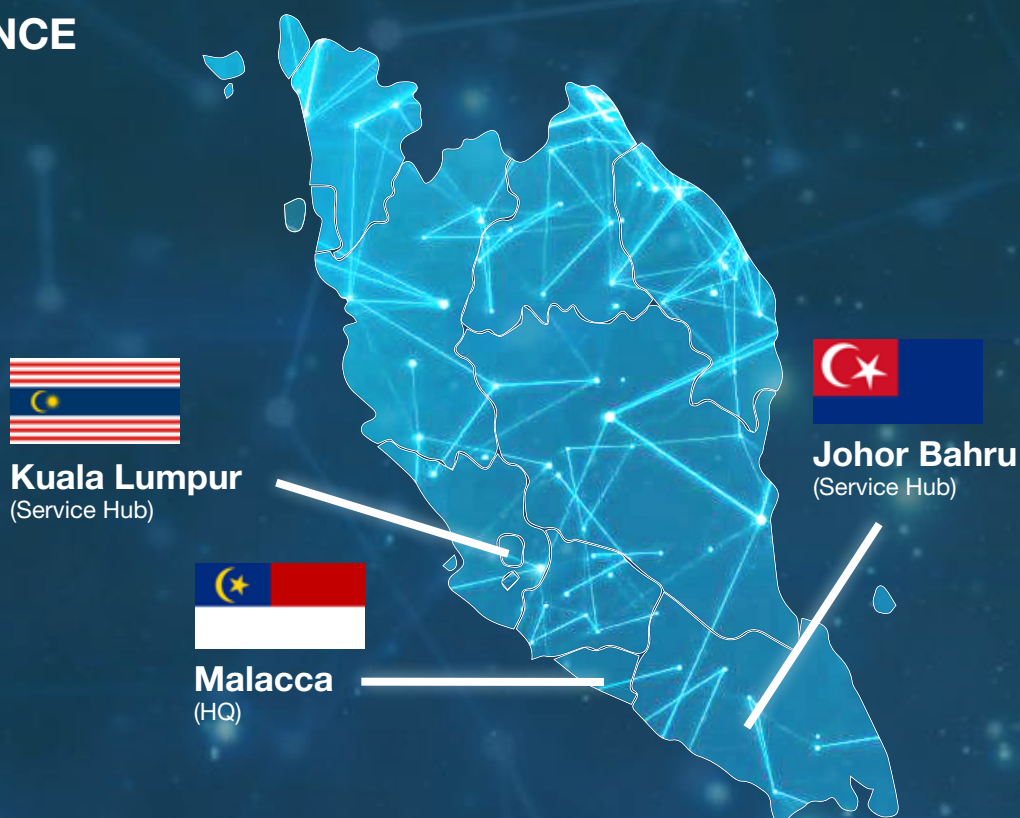
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PANDA ECO SYSTEM AT A GLANCE

OUR BUSINESS MODEL



OUR PRESENCE



PANDA ECO SYSTEM AT A GLANCE

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BUSINESS SEGMENTS

CUSTOMER SEGMENTS

RETAIL MANAGEMENT ECO-SYSTEM DEVELOPMENT, CUSTOMISATION, IMPLEMENTATION AND INTEGRATION

- Retailers particularly:
 - Grocery retail stores including hypermarkets, supermarkets and mini markets
 - Convenience stores
 - General merchandise retailers including houseware and kitchenware retailers and departmental stores
 - Specialty stores such as stationery and baking ingredient product stores
- Retail product suppliers
- F&B service providers
- 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)



Kota Kinabalu
(Service Hub)



Kuching
(Service Hub)

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 minds 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.



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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 more than 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 70 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
(Resigned on 1 December 2024)*

Loo Chee Wee

Chief Executive Officer/Executive Director

Tay Kheng Seng

Chief Technology Officer/Executive Director

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

Lim Li Heong

MAICSA No: 7054716

SSM PC No: 202008001981

Wong Mee Kiat

MAICSA No: 7058813

SSM PC No: 202008001958

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

HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS

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

Jalan PPM 13

Plaza Pandan Malim Business Park

75250 Melaka

Telephone: +606-332 3966

Email: 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

Wilayah Persekutuan, Malaysia

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.

Registration No. 200901011049
(854073-K)

100%



KK COMPUTER SDN. BHD.

Registration No. 199701026999
(442497-A)

100%



REXBRIDGE SDN. BHD.

Registration No. 201401030716
(1106802-H)

100%



020 DIGITAL SDN. BHD.

Registration No. 202001021320
(1377640-W)

100%



CENTRA SOLUTIONS SDN. BHD.

Registration No. 202401047153
(1592999-K)

51%



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IN THE NEWS



Panda Eco System Reports RM14.7 Million Revenue

Panda Eco System Berhad (Panda Eco System), a leading provider of retail management solutions, has announced its financial results for the second quarter ending 30 June 2024 ("2Q 2024").

For the first half of 2024 (1H 2024), the Group achieved a revenue of RM14.7 million and a profit after tax (PAT) of RM4.1 million, nearly matching the PAT for the full financial year ending 31 December 2023 (FY2023). In 2Q 2024, Panda Eco System reported revenue of RM6.4 million and PAT of RM1.2 million. The Group maintained a robust balance sheet with net cash and cash equivalents totalling RM33.0 million at the quarter's end.

Loo Chee Wee, Executive Director and Chief Executive Officer of Panda Eco System, stated: "In 2Q 2024, we observed a reduction in retail store openings by our clients following the festive-driven surge earlier in the year. Nevertheless, we continue to see strong demand for our Retail Management Eco-system solutions, with increased inquiries and promising prospects among major retail grocery players nationwide.

The successful deployment of these projects is expected to boost our market share and drive growth for the latter half of the year."

The company also launched its e-invoicing platform earlier this month, which has received positive feedback from customers. Designed to streamline invoicing processes and minimise manual errors, this platform is set to significantly enhance efficiency for retailers. The initial response has been encouraging, and Panda Eco System anticipates that this will lead to further adoption among existing customers and attract new clients.

As one of the few market players offering a comprehensive suite of ecosystem solutions, including POS systems, backend management, and a B2B platform for suppliers, Panda Eco System is well-positioned to leverage its strengths. The company is focused on cross-selling and upselling its extensive solutions to add significant value to clients, enhance market penetration, and support sustainable growth.

Date of news: 22 August 2024

DISCOVERY

[See More](#)



Panda to capitalise on new opportunities including e-invoicing

Date of news: 25 May 2024



Panda Eco System 9M24 Net Profit Jumps 27% To RM5.7 Million

Date of news: 29 November 2024



KEY CORPORATE MILESTONES



PANDA ECO SYSTEM BERHAD

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

2005



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.

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.



2008

2010

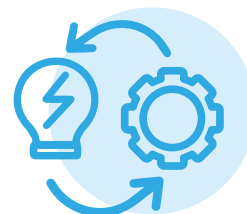


Awarded MSC Status

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.

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.



2013

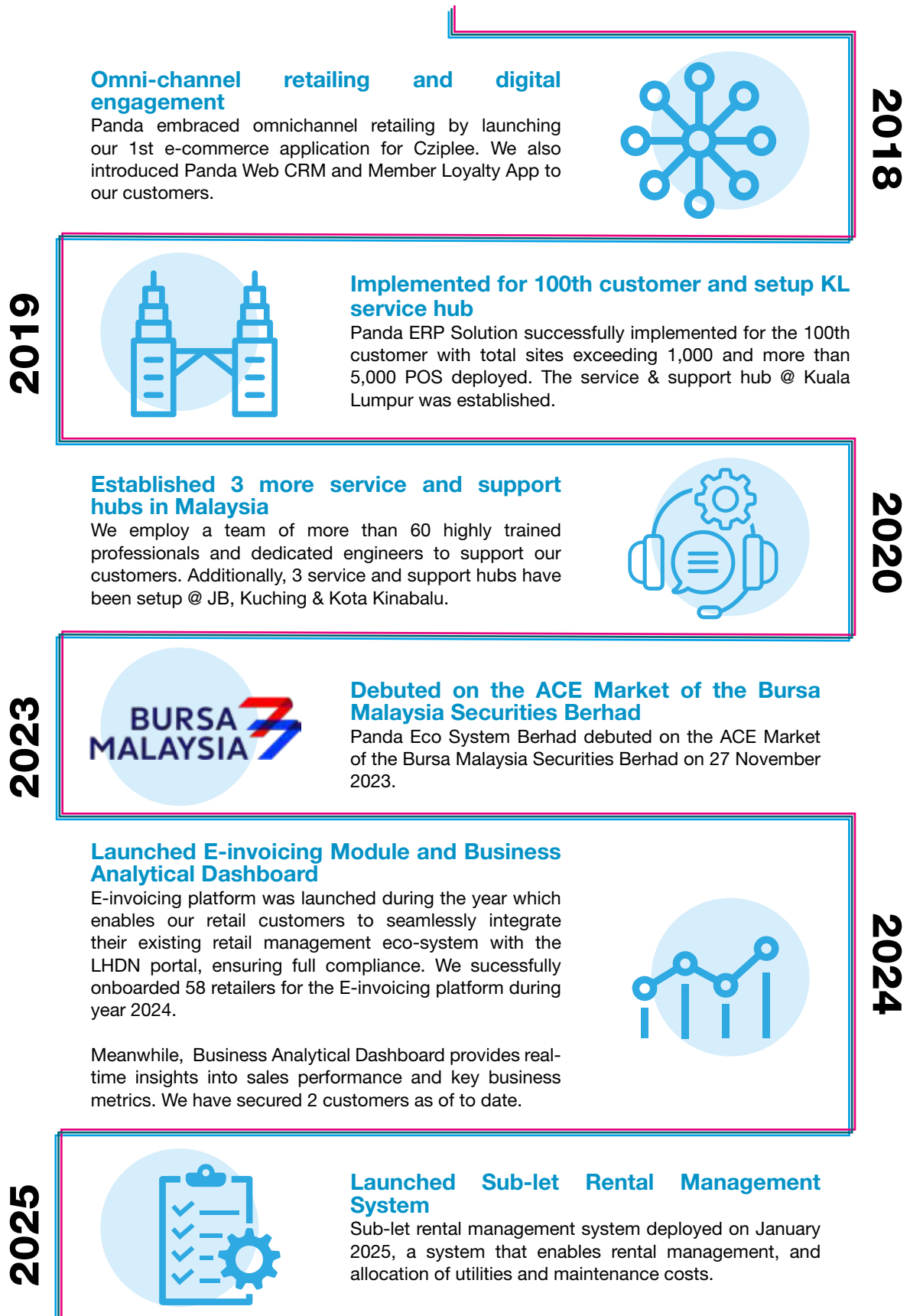
2015



Malaysia GST certified solution for POS

Panda ERP Solution was certified as a GST compliant software by the Royal Custom of Malaysia. Such certification enabled us to convince more retailers to switch to Panda.

KEY CORPORATE MILESTONES (CONT'D)



5-YEAR FINANCIAL HIGHLIGHTS

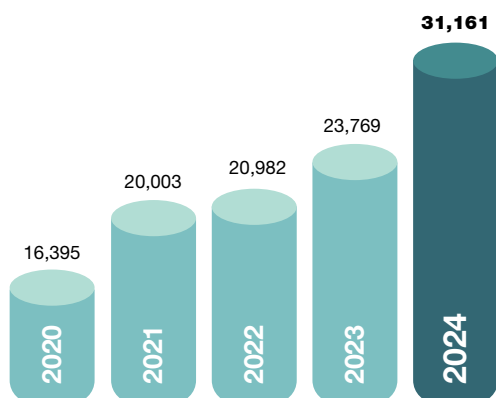
<i>Figures in RM'000, unless indicated otherwise</i>	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenue	16,395	20,003	20,982	23,769	31,161
Gross Profit	9,654	11,352	11,650	12,924	17,216
Earnings Before Interest, Taxes, Depreciation, & Amortisation ("EBITDA")	8,244	10,601	8,588	6,280	10,562
Profit Before Tax ("PBT")	8,125	10,430	8,472	6,306	11,083
Profit After Tax ("PAT")	6,871	7,900	7,048	4,303	8,083
Earnings Per Share (sen)	1.22 [#]	1.41 [#]	1.25 [#]	0.75 [*]	1.20[*]
Total Assets	21,562	14,014	16,483	38,572	45,194
Total Liabilities	7,575	3,708	3,869	6,101	7,996
Total Equity	13,987	10,306	12,614	32,471	37,198

* Adjusted for the 671,187,000 Shares in issued pursuant to the completion of the Initial Public Offering ("IPO")

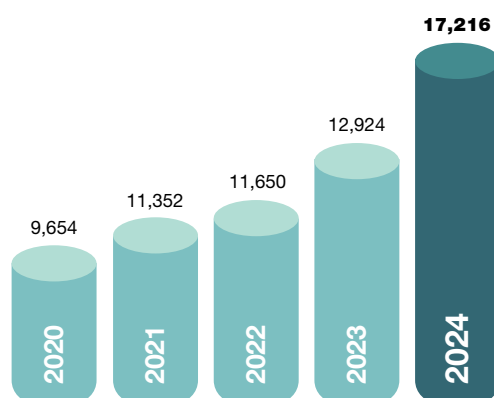
Calculated over enlarged share capital of 561,900,200 Shares before IPO

5-YEAR FINANCIAL HIGHLIGHTS (CONT'D)

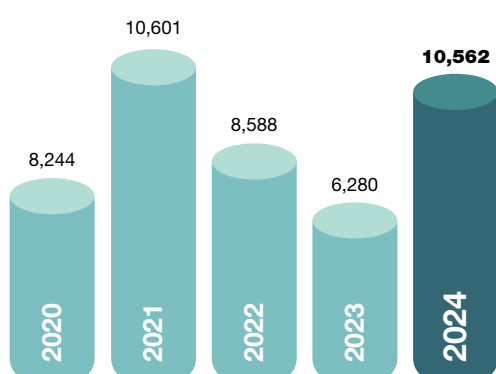
REVENUE (RM'000)



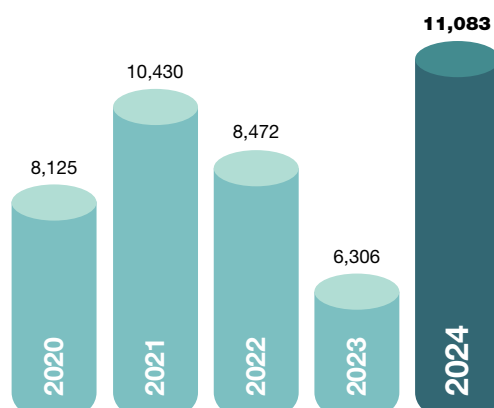
GROSS PROFIT (RM'000)



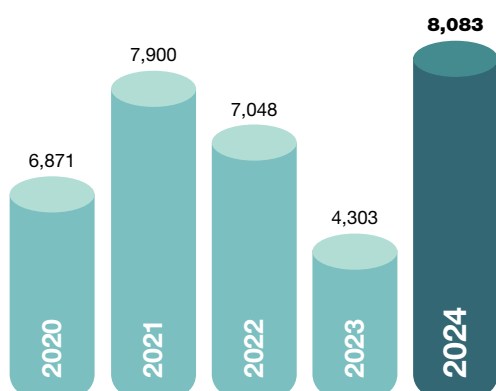
EBITDA (RM'000)



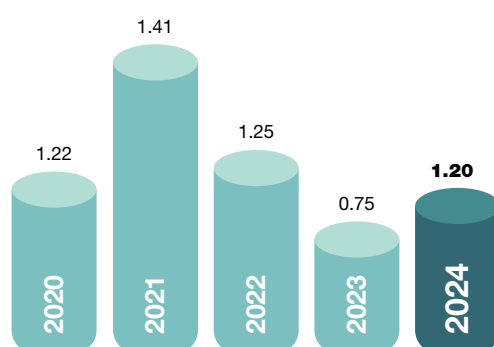
PBT (RM'000)



PAT (RM'000)



EPS (SEN)



DIRECTOR'S PROFILE

Loo Chee Wee

Chief Executive Officer/Executive Director

Date of Appointment: 20 January 2023

Membership of Board Committee:

- None



Mr. Loo is our substantial shareholder and Chief Executive Office/Executive Director. 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 developed 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 Chief Technology Officer and Executive Director, 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.

DIRECTOR'S PROFILE (CONT'D)

Tay Kheng Seng

Chief Technology Officer/Executive Director

Date of Appointment: 20 January 2023

Membership of Board Committee:

- None



Mr. Tay is our substantial shareholder, Chief Technology Officer/Executive Director. 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 was 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 was 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.

DIRECTOR'S PROFILE (CONT'D)

Chan Kam Chiew

Independent Non-Executive Director

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 an 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 Well Chip Group Berhad, both of which are listed on the Main Market of Bursa Securities and LGMS Berhad which is listed on the ACE Market of Bursa Securities.

DIRECTOR'S PROFILE (CONT'D)

Dato' Leanne Koh Li Ann

Independent Non-Executive Director

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, 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 (CONT'D)

Siew Suet Wei

Independent Non-Executive Director

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 30 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



Mr. Wang is the Group 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 Customer Technical Support, 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 was 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 joined Panda Software House Sdn. Bhd. and assumed his present role as the Group General Manager.

KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)



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.

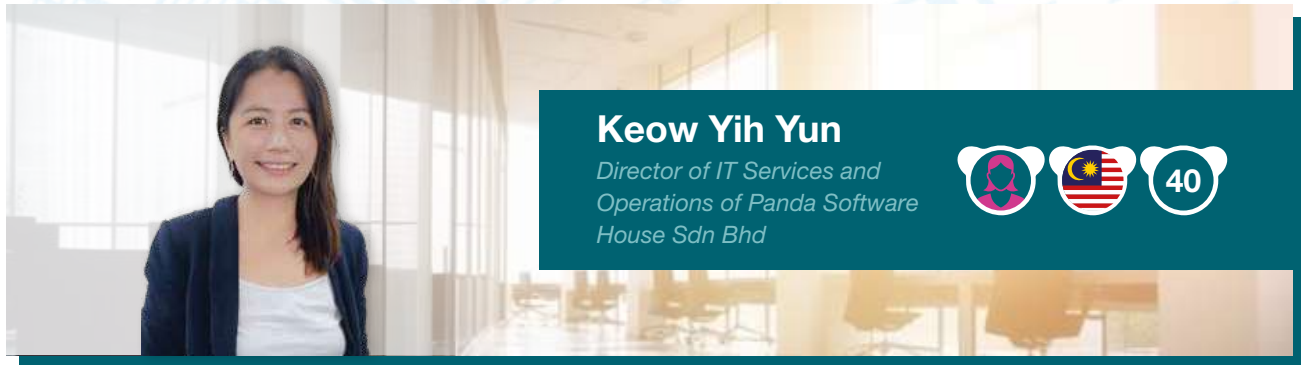
Upon graduating from secondary school in 1989, she began her career with Syarikat Chong Trading as an Account and Admin Clerk in July 1990, where she was responsible for handling accounting and administrative tasks, managing inventory as well as providing after-sales support services. In April 1993, 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 was promoted to Head of Account and Admin department, where she was 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 Chief Technology Officer/Executive Director.

KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)



Ms. Keow is the Director of IT Services and Operations of Panda Software House Sdn Bhd. She is in charge of the overall operations of the Panda Inventory Management solution, Finance solution and Omni-channel Engagement solution, which includes developing and executing project delivery, 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 since been acquired by Aimia Proprietary Loyalty Sdn Bhd) as a Customer Service and Operation Executive in July 2008. During her tenure, she was 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.

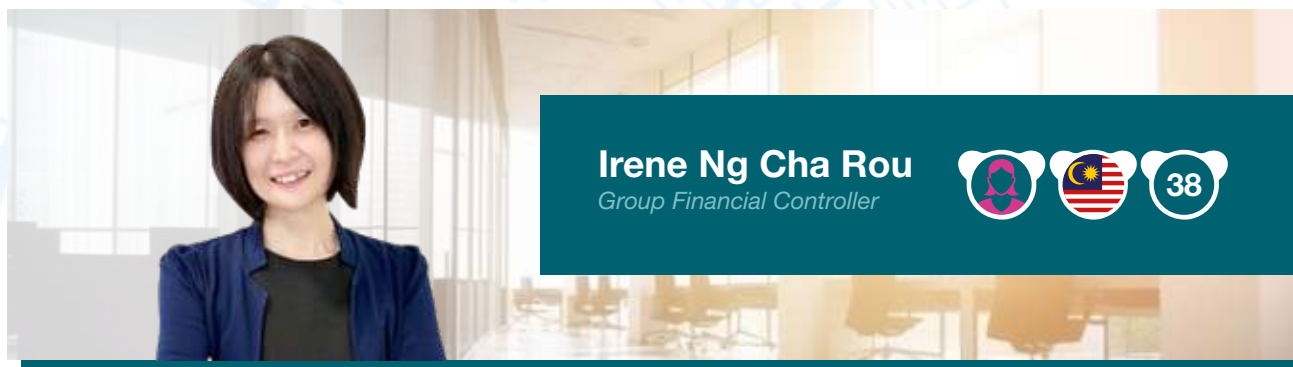
Through her career progression, she was gradually made to be in charge of developing and managing marketing campaigns, negotiating with vendors and suppliers, as well as developing new partnership opportunities for clients. In April 2013, she was promoted to Account Manager - Brands, where she was responsible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

In November 2014, she joined Star Solutions (M) Sdn Bhd as Campaign Manager, where she was 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 November 2016, she was redesignated to Marketing Manager. During her tenure, she spearheaded the launch of a digital loyalty application, managed marketing, branding, advertising, promotional, public relations and events related activities for the group.

She joined Panda Software House Sdn Bhd as Business Development Director (CRM) in March 2019. In January 2021, she was reassigned to be Business Development Director at 020 Digital Sdn Bhd. In February 2024, she was re-designated as Senior Manager at Panda Software House Sdn Bhd. Most recently, in November 2024, she was promoted to Director of IT Services and Operations, which is her current role.

KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)



Ms. Irene is the Group Financial Controller. She oversees the financial operations of the Group and is responsible for the financial affairs of the Group. She graduated with a Bachelor in Business (Major in Accounting and Financial Planning) from the University of Technology, Sydney. She is a member of the MIA as well as CPA Australia.

She began her career with Horwath (now known as Crowe Malaysia PLT) as an Audit Assistant in March 2009 and was promoted to senior manager until she left Crowe Malaysia PLT in July 2024.

During her tenure at Crowe Malaysia PLT, she was involved in a number of statutory audit assignments from small and medium-sized companies to large-sized public listed companies and was also a team leader overseeing a portfolio of small to large-sized clients.

She was also involved in the IPO engagements to list companies on the ACE Market of the Bursa Securities as well as handled special financial audit assignments eg. due diligence and agreed upon procedures work on proposed acquisitions.

In August 2024, she joined Panda Software House Sdn Bhd as the Group Financial Controller, which is her present position.

Notes to Directors' and Key Senior Managements' Profile:

- **Family Relationship**
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.
- **Conflict of Interest**
Save for the related parties disclosures in the Recurrent Related Parties Transactions ("RRPT") Circular to Shareholders dated 25 April 2025, none of the Directors and Key Senior Management has any personal interest/ conflict of interest /potential conflict of interest, including interest in any competing business with the Company and the subsidiary.
- **Conviction for Offences**
None of the Directors and Key Senior Management has been convicted for offences within the past 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 2024.
- **Attendance of Board Meetings**
The details of attendance of the Directors at the Board Meeting are set out on page 43 of this Annual Report.
- **Directors' Shareholdings**
The details of the Directors' interest in the securities of the Company are set out in the Analysis of Shareholdings on page 103 of this Annual Report.
- **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.

MANAGEMENT DISCUSSION AND ANALYSIS



Loo Chee Wee

Chief Executive Officer / Executive Director

CEO'S FOREWORD

In the financial year 2024 ("FY 2024"), we proudly celebrate our first anniversary as a public listed company. Our listing on Bursa Malaysia Securities Berhad has proven to be a transformative milestone, unlocking new growth opportunities and providing enhanced financial flexibility to accelerate our expansion. It has also significantly raised our visibility, enabling us to broaden our market presence, cultivate strategic collaborations, and pursue our long-term vision with greater confidence and ambition.

During the financial year, Panda Eco System Berhad has achieved exceptional growth. We reached record-breaking revenue and profit and successfully expanded revenue across all our business segments, further solidifying our market position and laying the foundation for even more significant achievements in the years ahead. This remarkable milestone is a testament to our employees' hard work and dedication, the unwavering support from our shareholders, and the trust from our customers and partners have placed on us.

Throughout the financial year, we continued to witness the rapid advancement of technology, especially in Artificial Intelligence (AI), which is profoundly transforming businesses. In the retail sector, AI is reshaping how our customers operate. From enhancing omni-channel strategies to deliver seamless shopping experiences, to leveraging AI for deeper insights into consumer behaviour and preferences, the potential for innovation is vast. Additionally, the widespread adoption of self-checkout kiosks and self-payment counters is to simplify transaction processing and facilitate smoother customers' checkout process.

One of the most significant domestic policy changes affecting businesses, including retailers, is the implementation of e-invoicing in Malaysia. This shift is driving accelerated technological adoption across the retail sector. To ensure compliance with the new regulations, retailers require an efficient e-invoicing solution and a comprehensive and integrated retail management system. This is critical to ensuring seamless integration between retail management solutions and e-invoicing systems, connecting sales, operations, and financial management. It minimises redundancy, reduces manual processes, and enables smooth integration with the Lembaga Hasil Dalam Negeri ("LHDN") e-invoicing portal. Ultimately, this streamlines compliance and optimises operational efficiency for our customers.

Panda Eco System Berhad truly stands out by empowering retailers with our in-house developed, comprehensive Retail Management Eco-system, which is seamlessly integrated with our proprietary e-invoicing portal. Our platform is engineered to streamline operations, delivering a seamless and cohesive experience across all business functions. It addresses every aspect of retail management, from centralised headquarters and store operations to financial management, supplier relations, customer relationship management, and compliance with e-invoicing regulations. By simplifying these processes, we not only optimise operational efficiency for retailers but also enhance their overall journey, enabling them to thrive in today's competitive landscape.

During the financial year, we announced our intention to acquire a 100% equity stake in Gross Synergy Sdn Bhd and Day One Technology Sdn Bhd, collectively referred to as "Gross Synergy." With over 30 years of expertise in Point-of-Sales ("POS") and inventory solutions for the retail industry, Gross Synergy has developed strong, long-term customer relationships and serves a broad and diverse clientele, including department stores, supermarkets, hardware and general merchandise stores, convenience stores, wholesalers, and distributors. This strategic acquisition perfectly aligns with our business, enabling us to accelerate market expansion, diversify our product and solution offerings, and enhance our technical expertise and resources. It also strengthens our technological capabilities and positions us better to manage the increasingly complex demands of the retail industry, giving us a distinct competitive edge. Moreover, by leveraging the synergies from this acquisition, we will explore cross-selling opportunities with our existing customers, driving growth, expanding market share, and penetrating new market segments.

Looking ahead, we are dedicated to establishing best practices, streamlining digital processes, and driving continuous innovation to deliver efficient retail management solutions that enhance operational efficiency and elevate the consumer experience. With a strong optimism for the future, we are committed to pushing the boundaries of what's possible, transforming the retail landscape to ensure our customers' success in an ever-evolving industry.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

SUMMARY AND OVERVIEW OF OUR GROUP'S BUSINESS

Panda Eco System Berhad and its subsidiaries (the "Group") are technology solutions providers specialising in retail management solutions. Established in 2003 in Melaka, Malaysia, we have built a strong reputation for delivering cutting-edge, end-to-end retail solutions that power retail chain stores nationwide.

In addition to our core expertise, we also provide third-party software and IT hardware trading, as well as custom software development and implementation services, enabling businesses to optimise their retail operations with tailored solutions.

With over two decades of industry expertise, the Group has developed a robust Retail Management Eco-system, a comprehensive suite of solutions designed to streamline and optimise retail operations.

This eco-system covers critical areas such as POS, warehouse and inventory management, supply chain coordination, customer relationship management, and financial reporting. By seamlessly interconnecting stores, suppliers, and key operational facets, our solution enables retailers to integrate data across their entire retail chain. This enhances efficiency and drives business intelligence, empowering retailers to make smarter decisions for sustained growth.

As of the end of 2024, the Group has implemented the Retail Management Eco-system for a total of 1,659 retail stores operated by more than 160 retailers across Peninsular and East Malaysia, Batam, Indonesia as well as Brunei.

BUSINESS SEGMENTS

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

 HQ CENTRALISED MANAGEMENT, STORE OPERATIONS & FINANCIAL MANAGEMENT SOLUTION	<p>Our solutions empower our customers' headquarters to efficiently oversee and monitor their entire business operations. This includes managing daily retail activities, optimising POS systems, and ensuring seamless financial information management across their network of stores.</p>
 XBRIDGE B2B SOLUTION	<p>A supply chain portal that facilitates seamless electronic document exchange between retailers and suppliers, enabling paperless operations through the digitisation of transaction documents.</p>
 OMNI-CHANNEL ENGAGEMENT SOLUTION	<p>Solutions that enable the comprehensive management of retailers' marketing and sales channels. This includes Customer Relationship Management (CRM), e-commerce platform oversight, mobile application management, digital content administration, and efficient handling of delivery assignments for e-commerce orders.</p>
 OTHERS	<p>Trading of third-party software and IT hardware, along with providing software customisation and implementation services to support the deployment of our retail management solutions.</p>

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE

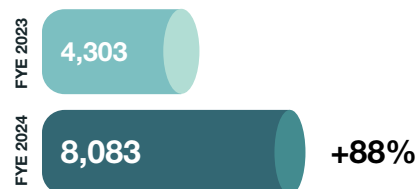
REVENUE (RM'000)

For the financial year ended 31 December 2024 ("FYE 2024"), the Group's revenue increased to RM31.16 million from RM23.77 million in FY2023, reflecting a surge of RM7.39 million or 31%. This growth was primarily driven by double-digit expansion in our Retail Management Eco-system segment.



PAT (RM'000)

The Group recorded a Profit After Tax ("PAT") of RM8.08 million in FY2024, representing an impressive 88% jump from RM4.30 million in FY2023. This growth was primarily driven by higher revenue in FY2024, while PAT in FY2023 was impacted by higher listing expenses. Even after normalising for these expenses in FY2023, our Group's PAT would still have grown by 34% compared year-on-year.



SEGMENTAL REVENUE CONTRIBUTION

HQ CENTRALISED MANAGEMENT, STORE OPERATIONS & FINANCIAL MANAGEMENT

Revenue increased by 29% mainly due to the increases in one-off income from the provision of our solutions to the new retail stores secured during FY 2024 as well as increases in the recurring maintenance fee.



XBRIDGE B2B SOLUTION

Revenue increased by 46%, primarily driven by higher usage of the solution, which led to a rise in our recurring subscription fees in FY2024.



OMNI-CHANNEL ENGAGEMENT

Revenue increased slightly by 9% mainly due to higher recurring subscription fees as compared to FY2023.



OTHERS

Revenue grew by 38% was mainly driven by higher IT hardware sales as more retail stores were secured in FY2024



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL POSITION AND LIQUIDITY

As at 31 December 2024, the Group's total assets increased by 17% to RM45.2 million, primarily driven by growth in cash and cash equivalents. At the end of FY 2024, we maintained cash and cash equivalents of RM32.0 million, supported by strong cash flow generation from operating activities.

Despite maintaining zero borrowings, total liabilities experienced a marginal increase to RM8.0 million in FYE2024, attributed mainly to an increase in accruals and contract liabilities. Our equity position continued to strengthen, supported by sustained profitability and efficient capital management. Equity attributable to the owners of the Group rose to RM37.2 million in FY2024 from RM32.5 million in FY2023.

Moving forward, we remain committed to maintaining a healthy financial position, optimising working capital, and leveraging strong liquidity and cash flow generation to drive long-term value for stakeholders.

DIVIDENDS

During the financial year, we declared a total dividend payout of 0.75 sen per ordinary share which translates into payout ratio of 62% of PAT. Although the Group has yet to adopt a formal dividend policy, we are committed to evaluating and pursuing opportunities to reward shareholders as circumstances permit. As a newly listed entity, our primary focus has been on strengthening our financial position, expanding our market presence, and strategically reinvesting in business growth. Moving forward, we will continue to strike a balance between maintaining sufficient capital for expansion and delivering value to our shareholders.

ANTICIPATED OR KNOWN RISKS

TALENT RETENTION

The technology industry demands high technical expertise, making talent acquisition and retention crucial to our success in software development, project execution, business expansion, and after-sales support. The competitive landscape and challenges in securing skilled professionals present a potential risk to our growth and operational efficiency.

To address this, we are dedicated to attracting, developing, and retaining top-tier technical talents through a well-rounded strategy. We place strong emphasis on employee well-being and work-life balance by offering competitive compensation packages, supplemented with additional benefits such as health insurance and dental/optical coverage. Beyond monetary rewards, we cultivate a dynamic workplace culture, encouraging participation in team-building activities, corporate retreats, and recreational events.

Additionally, we are committed to supporting our workforce's continuous learning and upskilling by providing advanced technical training that enhances expertise, boosts performance, and maximises productivity. By fostering a supportive, growth-oriented environment, we strengthen our talent pipeline and reinforce our competitive edge in the industry.

SUSCEPTIBILITY TO FLUCTUATIONS AND PROSPECTS OF THE RETAIL INDUSTRY

Our Retail Management Eco-system is specifically designed to cater to the evolving needs of the retail industry. As a result, our customer base primarily consists of retailers, including grocery stores, convenience stores, general merchandise retailers, specialty stores, and retail product suppliers. Consequently, our performance is closely tied to the resilience of the retail sector, and any downturn or challenges faced by the industry could have an adverse effect on our business operations and financial performance.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISKS (CONT'D)

SUSCEPTIBILITY TO FLUCTUATIONS AND PROSPECTS OF THE RETAIL INDUSTRY (CONT'D)

Despite these risks, we remain optimistic about the industry's trajectory. Various sources, including Retail Group Malaysia ("RGM"), project that the retail sector will continue to grow at a steady rate of 4% in 2025. To further strengthen our position and reduce reliance on the domestic market, we are expanding our presence in the ASEAN region, with an immediate focus on Indonesia. This strategic move aims to diversify our market exposure, drive sustainable growth, and enhance long-term business resilience.

RAPID TECHNOLOGICAL & RETAIL TREND CHANGES

Retail management solutions are constantly evolving, driven by rapid technological advancements and shifting industry trends. The frequent introduction of new solutions and innovations necessitates continuous updates to remain relevant. Failure to adapt could render our solutions outdated, impacting our competitiveness. Additionally, the retail industry is highly dynamic, requiring our solutions to be agile and responsive to changing market demands.

To mitigate this risk, we proactively monitor and analyse emerging retail trends, enabling us to anticipate industry shifts and align our solutions accordingly. By continuously enhancing our existing modules and developing new innovations, we ensure that our retail management solutions remain cutting-edge, competitive, and aligned with the evolving needs of the industry.

OUTLOOK AND GROWTH STRATEGIES

The retail sector remains a cornerstone of Malaysia's GDP, with retail trade expanding by 6.1% to RM764.9 billion in 2024. This growth trajectory is expected to continue, driven by an anticipated expansion of the consumer sector in 2025. The RGM projects a 4% growth rate for the sector, supported by rising disposable income as public sector wage increases and private sector minimum wage adjustments take effect under new government policies. Additionally, higher government cash assistance in 2025 is expected to strengthen consumer purchasing power further.

(Source: NST Online, 12 February 2025)

However, persistent concerns over inflation and rising living costs, particularly in the second half of 2025, remain challenging, exacerbated by global uncertainties and domestic policy shifts. Despite this, consumer spending on essentials is expected to stay strong, driving sustained demand for retailers in the mini-market, convenience store, and cooperative segments.

While the retail industry is expected to remain resilient, it faces increasing competition. To thrive in this dynamic landscape, digital transformation is essential for enhancing operational efficiency, minimising wastage, and responding swiftly to evolving customer expectations. Retailers are increasingly recognising the benefits of investing in comprehensive retail management eco-systems to leverage data analytics and implement omnichannel strategies such as real-time pricing, frictionless checkout experiences, and personalised customer engagement. Those that embrace these innovations will be best positioned to seize market opportunities and drive long-term success.

As retailers navigate cost pressures and evolving consumer expectations, this transformation creates new opportunities for both retailers and retail management solution providers, further strengthening the sector's resilience and growth. At Panda Eco System Berhad, we are at the forefront of this evolution, offering comprehensive retail management solutions that empower businesses to thrive in a rapidly changing market. With our in-house development capabilities, we can swiftly respond to changing retailer demands, seamlessly integrating technological advancements, evolving end-customer expectations, and regulatory requirements. This agility enables retailers to enhance efficiency, improve customer experiences, and stay ahead in an increasingly competitive landscape.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISKS (CONT'D)

OUTLOOK AND GROWTH STRATEGIES (CONT'D)

To fully capitalise on this promising potential, the Group will actively pursue and implement these growth strategies:

I. Harnessing synergies between Gross Synergy and Panda Eco System

In November 2024, we announced our strategic acquisition of Gross Synergy, a major leap for the Group that will accelerate our customer base expansion and unlock new avenues for growth. By integrating Gross Synergy's operations into Panda Eco System Berhad, we are poised to harness robust synergies that will enhance our ability to upsell and cross-sell our comprehensive suite of retail management solutions. This seamless integration able to drive higher revenue streams and strengthen customer retention by delivering an unparalleled end-to-end experience.

The acquisition brings together the deep technical expertise, industry knowledge, and extensive resources of both organisations. This strengthens our market presence, enhances service capabilities, and expands our reach. Additionally, the integration improves operational efficiency, streamlines workflows, and accelerates innovation. These advancements enable us to stay ahead of evolving market demands.

With a strengthened foundation, we are well-positioned to redefine the retail technology landscape by delivering innovative retail management solutions that drive sustainable business growth. This strategic move reinforces our leadership, ensures long-term success and underscores our commitment to shaping the future of retail innovation. The acquisitions of Gross Synergy are pending shareholders' approval at the forthcoming Extraordinary General Meeting to be convened.

II. Operational Expansion

As part of our business expansion strategy, we are investing in the construction of a new headquarters in Melaka. In financial year 2024, we established our Central region office in Kuala Lumpur, while our Northern region office, planned for Penang, is set to be operational in the second half of 2025. This strategic expansion aims to strengthen our presence in both the Northern and Central regions, allowing us to better serve our growing customer base.

Our new offices are designed to enhance operational efficiency, ensuring seamless customer service and dedicated support for clients across Malaysia. Beyond expanding our physical footprint, this growth reflects our commitment to technological advancement, infrastructure development, and market expansion. By integrating innovation with a strong operational foundation, we are positioning ourselves for sustained growth, industry leadership, and long-term success.

III. Regional Growth

In addition to our domestic expansion, we are extending our footprint within the ASEAN region. These markets present significant growth opportunities driven by rapidly evolving retail landscapes and increasing demand for comprehensive retail management solutions.

During the financial year, we successfully onboarded a new Japanese retail franchise store in Brunei, with potential expansion into other Southeast Asian markets. Additionally, we completed the implementation of a pilot project for our retail management system with a major retailer in Indonesia, paving the way for potential expansion to additional outlets across Indonesia in FY2025

Given these developments, we are optimistic about expanding our regional presence, with an immediate focus on Indonesia. By leveraging our expertise and proven track record, we aim to expand our presence by providing innovative retail management solutions tailored to local market needs. This expansion aligns with our long-term vision of becoming an established ASEAN retail management solutions provider, fostering business growth while delivering greater value to our clients across the region.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISKS (CONT'D)

OUTLOOK AND GROWTH STRATEGIES (CONT'D)

To fully capitalise on this promising potential, the Group will actively pursue and implement these growth strategies (Cont'd):

IV. New Solutions

Beyond expanding our market reach, we continuously innovate to develop solutions that meet the evolving needs of the retail industry. During FY 2024, we introduced our proprietary solutions, the e-Invoicing solutions and Business Analytics Dashboard.

Our e-Invoicing Platform is designed in response to recent regulatory changes, particularly the roll-out of LHDN's e-invoicing requirements in Malaysia. The e-Invoicing Platform enables our retail customers to seamlessly integrate their existing retail management eco-system with the LHDN portal, ensuring full compliance. In addition to this platform, our e-Invoice Financing solution was also launched with the aim to help vendors to better manage cash flow through factoring arrangements with financial institutions, providing them greater financial flexibility. With our e-invoice Financing solution, vendors can digitally create, organise, verify and share their invoices with other requisite supporting documents for financing. These digitalised documents can then be accessed by the relevant financial institutions easily and instantly.

Meanwhile, our brand-new Business Analytics Dashboard provides real-time insights into sales performance and key business metrics. It allows retailers to track customers' buying patterns, fast-moving goods sales trends, and the impact of seasonal marketing and promotional activities on revenue. Additionally, it enables comprehensive financial comparisons, empowering data-driven decision-making. By leveraging this tool, retailers can enhance efficiency, optimise sales strategies, and drive continuous growth.

Building on this momentum, we target to introduce three new solutions in financial year 2025 namely, Sub-let Rental Management System, Rebate Income Management System and Mobile POS to equip our clients with solutions that enhance operational efficiency as well as provide deeper insights and enable smarter, data-driven decision-making. These new solutions not only will unlock new revenue growth opportunities but also deepens customer penetration, further increasing customer stickiness.

APPRECIATION AND ACKNOWLEDGEMENT

As we reflect on the past year, I would like to express my sincere appreciation to all stakeholders who have contributed to the continued success of Panda Eco System Berhad. Our journey of growth and innovation would not have been possible without the unwavering commitment and dedication of our employees, the trust and confidence of our shareholders, the support of our business partners, and the loyalty of our valued customers.

I extend my gratitude to the Board of Directors for their strategic guidance and leadership in navigating the ever-evolving business landscape. Their insights and governance have been instrumental in driving our vision forward. I would also like to express my sincere appreciation to our former Chairman, Mr Yap Chee Kheng, for his contributions and leadership during his tenure. His guidance has been invaluable in shaping our journey, and we wish him the very best in his future endeavours. To our management team and employees, your resilience, hard work, and passion remain the driving force behind our achievements, and I commend each of you for your dedication.

Looking ahead, we remain committed to sustainable growth, innovation, and operational excellence. As we continue expanding our market presence and enhancing our solutions, we are confident in our ability to create long-term value for all stakeholders. With a clear vision and strong foundation, Panda Eco System Berhad is well-positioned to seize new opportunities and drive greater impact in the industry. On behalf of the Board, I thank you for your continued support and belief in our journey. Together, we will shape a future of progress, sustainability, and success.

Loo Chee Wee
Chief Executive Officer / Executive Director
Panda Eco System Berhad

SUSTAINABILITY STATEMENT

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At Panda Eco System Berhad, we recognise that sustainability is the foundation for a responsible business, essential for optimising resources, driving operational efficiency, fostering innovation, and securing sustained, impactful growth. As a newly listed company, we are committed to reducing our environmental footprint, strengthening social responsibility, upholding proper standards of governance, and building long-term business resilience. By optimising resource efficiency, upholding ethical business practices, and prioritising the well-being of our employees, we strive for sustainable business growth and create lasting value for all our stakeholders.

As we continue to grow both locally and regionally, we remain dedicated to embedding sustainability into our strategy. Through responsible sourcing, energy-efficient operations, and digital transformation to reduce waste, we are shaping a future where business growth and environmental stewardship go hand in hand. Sustainability is a journey of continuous improvement, and I am confident that, together with our employees, partners, and stakeholders, we will drive meaningful change, ensuring that Panda Eco System Berhad continues to be a force for good in the industry.

”

Loo Chee Wee

*Chief Executive Officer/
Executive Director*



SUSTAINABILITY STATEMENT (CONT'D)

ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement presents Panda Eco System Berhad and its subsidiaries' (collectively referred to as "Panda Eco System" or the "Group") sustainability commitments and progress for the financial year ended 31 December 2024 ("FYE 2024").

As responsible corporate citizens, we recognise that sustainability is not merely a choice but a necessity for long-term growth. As we approach our second year as a publicly listed company, we remain committed to integrating sustainability into every aspect of our operations. This Sustainability Statement outlines our approach, key environmental data, governance framework, and initiatives to create lasting value for our stakeholders while driving sustainable growth across the Group.

SCOPE OF THIS STATEMENT

This Sustainability Statement covers all operations under the Group's managerial control, including the performance of Panda Eco System Berhad and its subsidiaries, while excluding outsourced activities. Although some data gaps remain as we continue to improve our collection processes, we have made every effort to report on sustainability matters relevant to the Group, with all data, unless stated otherwise, sourced internally.

REPORTING PERIOD, STANDARDS AND GUIDELINES

This Statement covers our sustainability performance for the financial year from 1 January 2024 to 31 December 2024 unless otherwise stated and prepared in line with the following guidelines and framework listed below:

- Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

REPORTING QUALITY & DATA ASSURANCE

At Panda Eco System, we are committed to transparent and accountable sustainability reporting. All non-financial data and information in this report are sourced internally from our Group of Companies and undergo a rigorous internal verification to ensure accuracy and reliability. The internal operation team compiles the performance data, which is then reviewed by senior management and respective data owners.

LIMITATIONS AND EXCLUSIONS

While we strive for comprehensive and accurate disclosure, certain limitations exist. Some non-financial and sustainability-related data may be affected by constraints such as data availability, evolving measurement methodologies, and variations in reporting capabilities across different entities. Additionally, this report does not cover data from entities or operations beyond the specified reporting boundaries. Where estimates or assumptions have been used, they are based on the best available information. As we continue refining our data collection and validation processes, we remain committed to enhancing future disclosures' scope, accuracy, and completeness.

SUSTAINABILITY STATEMENT (CONT'D)

FORWARD-LOOKING STATEMENTS

All forward-looking statements, including goals, future strategies, operations, and projected figures, are grounded based on the Group's current reasonable assumptions.

STAKEHOLDER FEEDBACK

As we aim to continuously improve our sustainability efforts, we encourage our stakeholders to provide feedback on our report and any discussed issues. We welcome you to reach out with your comments, enquiries or suggestions about our Group by emailing us at info@panda-eco.com. Your input is highly valued as we work towards furthering our commitment to sustainability.

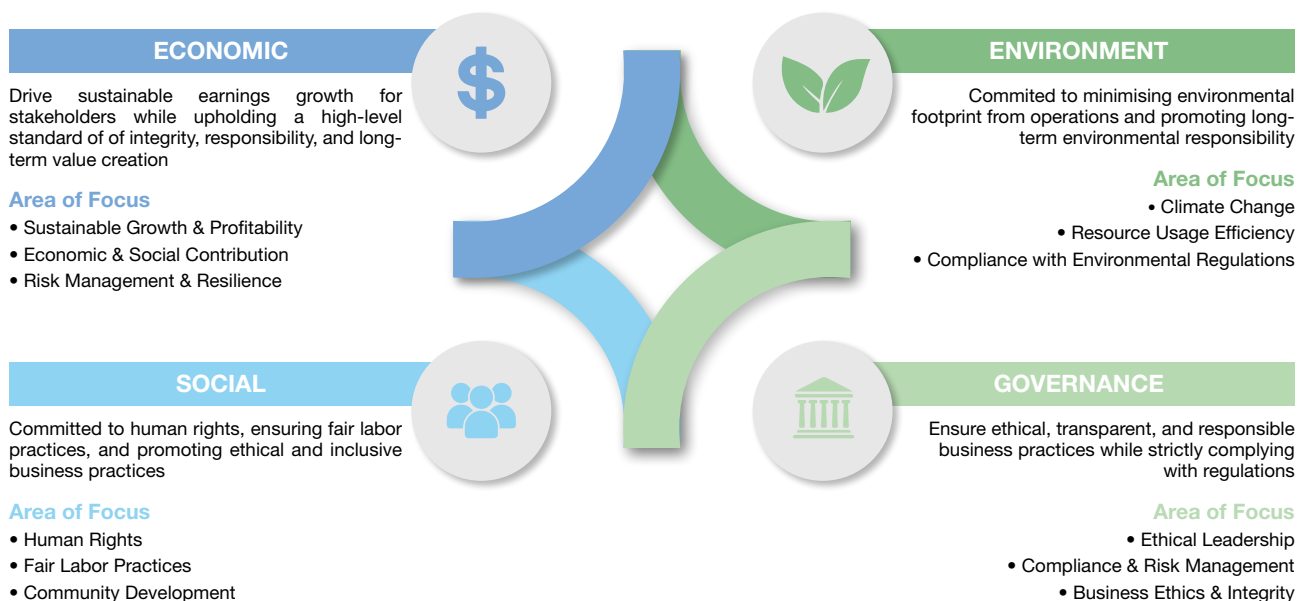
OUR APPROACH TO SUSTAINABILITY

While our sustainability journey is still in its early stages, we have formulated a preliminary sustainability framework that serves as a guiding principle, steering our efforts toward continuous growth and meaningful impact. We will continually refine and strengthen this framework to align with evolving best practices, industry standards, and stakeholder expectations. Through proactive initiatives and ongoing improvements, we strive to drive meaningful progress, creating a lasting positive impact on the economy, environment, society, and our business operations.

A robust sustainability approach is essential to embedding responsible practices across our Group, enabling us to navigate challenges while adapting to evolving shareholders' expectations, customer needs, market dynamics, and regulatory requirements. We will refine our sustainability strategy to determined its continued relevance in an ever-changing world.

At the heart of our business ethos lies a deep commitment to sustainability, shaping our impact across economic, environmental, social, and governance dimensions. Embedding sustainability into our core operations delivers far-reaching benefits, including enhanced reputation, proactive risk identification and mitigation, and the ability to identify new and emerging opportunities. By integrating responsible practices into our daily operations and long-term strategies, we create sustainable value for our business, stakeholders, and society at large.

Sustainability Framework



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE





At Panda Eco System, we recognise that a strong foundation is crucial for a successful and sustainable business. We are committed to embedding sustainability principles and initiatives throughout our Group and in our decision-making processes. This integration allows us to drive accountability, foster innovation, and promote continuous improvement across our Group.

STAKEHOLDER ENGAGEMENT

At Panda Eco System, we recognise that meaningful stakeholder engagement is essential for a seamless integration of sustainability considerations into our business operations, ultimately driving long-term success. Our stakeholders include individuals, groups, or entities that may influence or be impacted by our activities. Maintaining effective communication with these stakeholders is crucial, as it allows us to understand their concerns, and how we could align with their expectations.

Through our stakeholder identification process, we have identified 6 key stakeholder groups that play a significant role in or are directly affected by our operations. By actively engaging with them, we strengthen relationships, enhance transparency, and refine our sustainability strategies to create shared value.



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"> Career Development Job Security Competitive Remuneration & Benefits Equal Opportunity Diversity and Inclusions Talent Management Work-life Balance Labour & Human Rights 	<ul style="list-style-type: none"> Technical & Soft skill Trainings Annual Appraisal Newsletter, Email Communication & Social Media Formal and Informal Meetings/ Discussions Staff Engagement Sessions Festive Season programmes
Shareholders, Investors & Analysts 	<ul style="list-style-type: none"> Group's performance and prospects Business Outlook Growth Strategies Shareholders' Value ESG Practices & Sustainability 	<ul style="list-style-type: none"> Annual / Extraordinary General Meetings Company Announcements Investors' Briefings Financial Results Annual Report Corporate Website
Customers 	<ul style="list-style-type: none"> Customer Satisfaction Service Quality Building and retaining long-term relationship 	<ul style="list-style-type: none"> Customer Technical Support Timely delivery of projects Customers' feedback
Suppliers and Vendors 	<ul style="list-style-type: none"> Consistent and Timely delivery of equipment Sustainable business practices Building and retaining long-term relationship 	<ul style="list-style-type: none"> Virtual and physical communications Constant and regular communications Supplier performance evaluation

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

The table below summarises our key stakeholders, engagement methods and frequency, and material topics of concern. (Cont'd)

Stakeholder Group	Area of Interest	Engagement Approach
Government & Regulatory Authorities 	<ul style="list-style-type: none"> Corporate Governance Compliance with relevant rules & Regulations 	<ul style="list-style-type: none"> Responsible reporting and communications Audits & Inspections Meetings Dialogues
Community and Public 	<ul style="list-style-type: none"> Collaboration with universities Local socio-economic development Environmental impacts 	<ul style="list-style-type: none"> Internship Placement Innovation Programmes Website Feedback channel

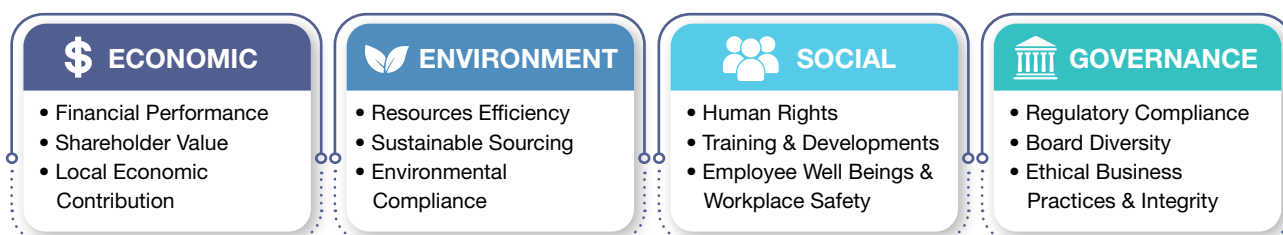
MATERIALITY ASSESSMENT

At Panda Eco System, we are committed to continuously reinforcing sustainability in our core business strategy while aligning with stakeholder expectations. A key part of this commitment is conducting materiality assessments, which help us identify Economic, Environmental, Social, and Governance (“EESG”) issues that present both risks and opportunities. By addressing these material matters effectively, we aim to enhance our organisational integrity, strengthen our competitive edge, and create long-term value for stakeholders.

As we embark on our sustainability journey, we have conducted our initial materiality assessment internally, with our leadership team overseeing the identification, prioritisation, and validation of key issues. This approach leverages internal expertise and ensures that material matters are assessed within the context of our operations, laying the foundation for a more structured and strategic sustainability framework that we are in the midst of developing.

For the financial year 2024 (“FY 2024”), we have identified several key material issues that potentially have a significant impact on the Group, as depicted in the diagram below. We believe this year’s identification of key material matters provides us with a baseline for understanding our sustainability priorities. Looking ahead, Panda Eco System is committed to enhancing this process through a more comprehensive and inclusive assessment, as we will be engaging a broader range of external stakeholders. By fostering a dynamic and collaborative approach, we aim to gain deeper insights into critical issues, including the risks and opportunities the material matters will present.

Material Matters



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

As a listed corporation, our purpose extends beyond generating revenue and profit. We are committed to delivering sustainable long-term growth and creating value for all our stakeholders, including employees, investors, customers, suppliers, and the communities we serve. The economic value we generate is essential to ensuring our sustained growth while enhancing the well-being and prosperity of our stakeholders.

To achieve this, we foster resilient business models, make responsible investments, and drive sustainable growth through financial prudence, innovation, and operational efficiency. By upholding ethical governance, strengthening relationships with key stakeholders, and embedding sustainability into our decision-making, we plan to enhance our ability to navigate economic challenges and create lasting value. Through these efforts, we remain dedicated to driving economic progress that delivers tangible benefits and lasting impact to our stakeholders, communities, and future generations.

Our direct economic impacts as result of our direct business activities include:

I. Financial Performance

We continue to set new benchmarks in our financial performance. In FYE 2024, our revenue and profitability grew by **31%** and **88%**, respectively compared to the previous year, reflecting our strong business fundamentals and strategic execution. This achievement is driven by the unwavering trust of our customers in our Retail Management Eco-system, along with growing interest from new customers. Looking ahead, we remain confident in sustaining this momentum, supported by a robust growth strategy both locally and regionally. While driving revenue and profitability, we are committed to maintaining a strong financial position and generating healthy cash flow. This financial resilience will enable us to scale new heights, seize emerging opportunities, and navigate the increasingly competitive retail landscape.

The Management Discussion & Analysis section of this Annual Report provides further details on the Panda Eco System Berhad's financial performance and growth strategies.

II. Shareholder Value

We remain committed to delivering long-term value to our shareholders through consistent and sustainable dividend payments. Recognising dividends as a key component of shareholders' return, the Board of Directors declared a total dividend payout of RM5.03 million during the year or approximately 62% of PAT of FYE2024. This underscores our ability to generate stable earnings while maintaining a disciplined and strategic approach to capital management, including rewarding our shareholders. By upholding a responsible and sustainable dividend strategy, we work to strengthen investors' confidence and position the Company for continued success in an evolving business landscape.

III. Local Economic Contribution

At Panda Eco System, we are committed to have a role in national economic growth by supporting local suppliers and advocating local employment. While our business solutions incorporate components from international brands, we constantly prioritise sourcing through local distributors to maximise domestic economic value. In FY2024, all of our supplies were sourced from local vendors. With a 100% locally employed workforce, we actively invest in job creation and continuously enhance our employees' skills through on-the-job training and external development programs. Beyond employment, we strengthen local businesses by sourcing materials and services domestically whenever possible. Integrating these practices into our operations contributes to community development while fostering a more resilient and self-sustaining local economy.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Our direct economic impacts as result of our direct business activities include: (Cont'd)

IV. Employee Remuneration

At Panda Eco System, we are committed to providing financial security to our employees through competitive salaries and comprehensive benefits. We recognise that financial well-being is crucial not only for their personal stability and professional growth but also for the well-being of their families. Beyond financial remuneration, we offer various non-financial benefits to enhance overall employee well-being. These include training programs, continuous learning opportunities, healthcare coverage, wellness initiatives, and a supportive work environment that promotes work-life balance. Investing in financial and non-financial benefits for our employees, to empowers our employees to thrive, contribute meaningfully, and lead fulfilling lives. The positive impact of this commitment extends beyond individuals, strengthening communities, driving local prosperity, and contributing to the overall development of society.

ENVIRONMENTAL

CLIMATE CHANGE

At Panda Eco System, we recognise climate change as a pressing global challenge that requires urgent and collective action. We understand that environmental responsibility is not only essential for protecting the planet but also crucial for ensuring long-term business resilience and success. While our operations have minimal environmental impact, we remain committed to reducing the global carbon footprint and integrating sustainability into various aspects of our business.

To uphold this commitment, we continuously implement sustainable practices such as optimising energy efficiency, maximising resource utilisation, and minimising waste. By embedding sustainability into our operations and advocating eco-conscious practices, we aim to mitigate risks, enhance efficiency, and strengthen our long-term business viability.

As responsible corporate citizens, we will continue to explore innovative initiatives and opportunities to meaningfully contribute to the global fight against climate change.

ECO-EFFICIENT SOLUTIONS

Our Retail Management Eco-system optimises operational efficiency by seamlessly integrating information across various retail departments, driving process automation and digital transformation. By reducing reliance on paper-based processes, our solutions help retailers minimise environmental impact while enhancing productivity. For example, our B2B solutions enable fully digital document exchanges between retailers and suppliers, eliminating the need for physical paperwork, streamlining communication, and reducing waste. These innovations empower our customers to adopt more sustainable practices, reinforcing our commitment to environmental responsibility.

EMISSIONS

We recognise the importance of collective action in reducing carbon footprints and are committed to addressing the environmental risks of greenhouse gas ("GHG") emissions. While our solutions-based services generate minimal direct air emissions, sustainability remains at the core of our operations. By integrating energy-efficient practices, less paper solutions, and responsible business strategies, we actively minimise our environmental impact. Despite our low footprint, we continuously pursue initiatives contributing to global carbon reduction, reinforcing our dedication to environmental stewardship.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

ENERGY MANAGEMENT

Our headquarters and service hubs primarily use electricity to power essential operations, including lighting, air conditioning, workstations, and servers. While our business activities do not generate direct GHG emissions, we recognise that energy consumption contributes to our overall carbon footprint. As part of our commitment to sustainability, we continuously explore and implement energy-efficient practices to optimise usage and reduce environmental impact. Through ongoing improvements in energy management, we strive to enhance operational efficiency while supporting global carbon reduction efforts.

Green Energy Project

One of the key initiatives undertaken by the Group to reduce our energy consumption directly from the main grid is by 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 HQ. By implementing this solar power system, we managed to decrease our reliance on the main grid, thereby indirectly reducing our carbon footprint associated with electrical consumption.



93,00kWh

of electricity generated since installation



72,214kg⁽¹⁾

of CO₂ removed



1,805 trees⁽²⁾

equivalent required to absorb CO₂

(1) Based on 2022 Malaysia Grid Emission Factor (GEF) of 0.77 tCO₂/MWh

(2) Based on the estimation that 1 mature tree can absorb 0.04t CO₂ per year

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



**100%
LED Lighthings
In All Office
Compound**



**Promote
Less Paper
Office**



**Switch Off
Lights When
Not In Use**



**Set Air
Conditioner
At Ideal
Temperature**



**Switch Off
Computers &
Monitors After
Work**

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

WATER MANAGEMENT

We recognise water as a vital and finite resource, and as such, we are committed to responsible water management across our operations. While our water consumption is minimal, primarily for employee use at our headquarters and service hub as a waste water, we installed smart water sensors and create awareness among our staff on initiatives taken to reduce waste water discharge.

While our water withdrawal is minimal and limited to domestic use, we are committed to continuously optimise our water consumption and promoting responsible usage across our office operations. This initiative aligns with our broader environmental goals, ensuring long-term resource conservation while minimising our ecological footprint.

Key Water Management Initiatives

1. **Smart Water Sensor** – We have implemented automatic water level sensors in HQ washrooms to enable real-time monitoring, optimise usage, regulate water flow, and prevent wastage. This system enhances water conservation and reduces unnecessary consumption.

This initiative will dramatically decrease our water footprint and cultivate a water conservation mindset.

WASTE MANAGEMENT

Our Group's operations generate minimal waste, primarily from IT hardware and equipment packaging, as well as general office use, such as paper. However, we remain committed to responsible resource management and waste minimisation by adopting sustainable practices across our operations.

Reducing Waste at the Source

We take a proactive approach to waste reduction by addressing it at the source. Our initiatives include optimising procurement strategies to minimise excess packaging, promoting digital documentation to significantly reduce paper usage, and streamlining office supplies to eliminate unnecessary waste. These measures enhance resource efficiency and sustainability across our operations.

Reusing & Repurposing Hardware

To extend the lifespan of our IT hardware and office equipment, we implement refurbishment and repurposing initiatives. This includes reallocating functional devices within the organisation, donating equipment such as training chairs and whiteboards to universities and other organisations in need, and supporting initiatives that promote a circular economy wherever possible.

Employee Engagement and Awareness

We foster a culture of environmental responsibility by conducting awareness programs on waste reduction, promoting sustainable office practices, and encouraging employees to contribute to our waste minimisation goals.

Through these efforts, we continuously reduce our environmental footprint while maintaining operational efficiency. By integrating sustainability principles into our operations, we reinforce our commitment to minimising waste and exploring innovative ways to reduce our environmental impact.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

ENVIRONMENTAL COMPLIANCE

Despite our minimal environmental impact, we are committed to regulatory compliance. This commitment has ensured a flawless compliance record with zero environmental fines or penalties reported in FY2024 till to date, underscoring our dedication to sustainability, regulatory excellence, and continuous environmental improvement.

BIODIVERSITY

At Panda Eco System, biodiversity is the cornerstone of a resilient and sustainable environment. While our operations are not located in biodiversity-sensitive areas and have minimal direct impact on ecosystems, we understand the broader responsibility of safeguarding nature. Our commitment extends beyond compliance, as we actively embrace sustainable business practices that reduce environmental impact and support global biodiversity conservation efforts. By integrating eco-conscious strategies into our operations, we contribute to preserving natural resources, ensuring a thriving environment for future generations.

SOCIAL

The Group firmly believes that our human capital is the cornerstone of our achievements and the driving force behind our ongoing success. To ensure lasting success, we are committed to upholding proper human rights and labour practices standards, by treating every individual with respect, dignity, and fairness. As we continue to grow and evolve, we remain steadfast in our dedication towards attracting, developing, and retaining top-tier talent. We prioritise creating a dynamic, inclusive, and supportive workplace where every employee has the opportunity to thrive. We are deeply committed to adhering to labour rules, regulations, and international standards. Our ethical decisions and actions reflect our dedication to making a positive impact on both our employees and the communities in those locations from which we operate. By fostering a culture of trust, loyalty, and a strong sense of belonging, we lay the foundation for long-term success. We believe that our unwavering dedication to human rights and labour standards is key to driving innovation, growth, and shared prosperity, ensuring that our people continue to thrive alongside the Company.

HUMAN RIGHTS AND LABOUR STANDARDS

At Panda Eco System, we are steadfast in our commitment to upholding the fundamental rights of all workers across our operations. We understand that fostering fair and respectful working conditions is essential to long-term sustainability, both for our company and the communities we serve. Our dedication to human and labour rights goes beyond merely complying with laws and regulations. We are focused on creating a healthy work environment where every employee is treated with dignity and respect. This includes eliminating forced and child labour, providing fair wages and benefits, and ensuring an inclusive workplace that embraces diversity and promotes non-discrimination. We are committed to implementing and maintaining these standards through best labour practices and holding ourselves accountable to our employees, stakeholders, and communities. Together, we are building a sustainable future where respect for human rights is the foundation of our success. In FY2024, there were no reported human rights violations.

DIVERSITY & NON-DISCRIMINATION

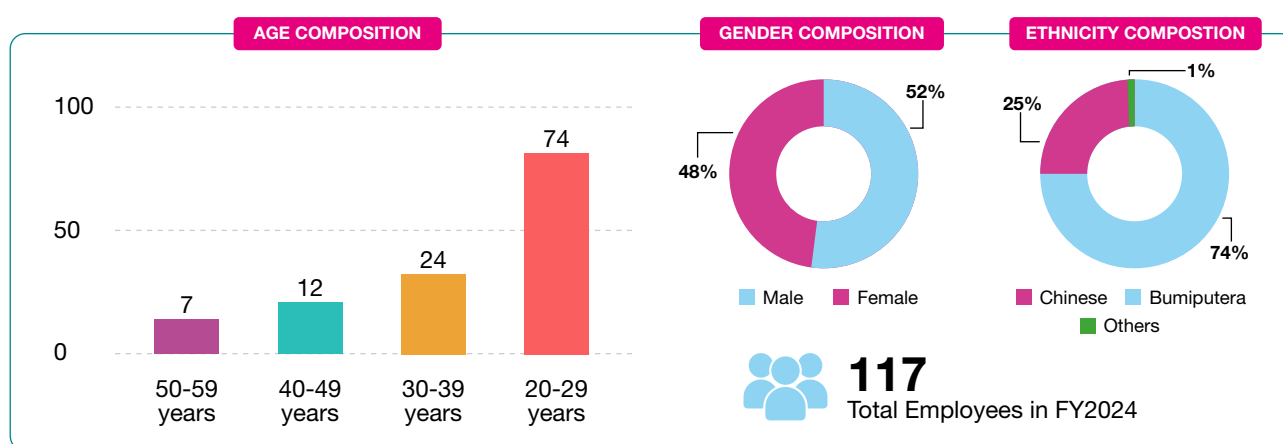
Panda Eco System is committed to fostering an inclusive workplace free from all forms of discrimination. Our dedication to eliminating discrimination is deeply embedded in our Code of Conduct, which serves as the foundation for our organisational values. Any violations of this principle will result in disciplinary action to ensure we uphold a high-level of standards of fairness. Our Code of Conduct explicitly prohibits discrimination in any form, whether related to race, skin color, age, gender, ethnicity, disability, pregnancy, religion, political affiliation, or marital status. We are fully committed to ensuring that all hiring and employment decisions, including those related to salary, promotions, rewards, and training opportunities, are guided by meritocracy principles.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

DIVERSITY & NON-DISCRIMINATION (CONT'D)

In FY2024, the Group employed 117 employees, and we take pride in the diversity reflected across gender, ethnicity, and age groups. We believe that this diverse workforce contributes fresh perspectives and is instrumental in driving our success. We will continue embracing diversity as a key pillar of our sustainable growth, ensuring an environment where everyone has equal opportunities to thrive.



WHISTLE BLOWING POLICY

We are committed to addressing and preventing workplace bullying proactively and thoroughly. We have established 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 FY2024, there were no reports of harassment incidents.

TRAINING & DEVELOPMENT

The Group is committed to fostering a culture of continuous learning and development. We recognise that upskilling our employees is key to their personal growth and the Company's ongoing success. We believe that investing in training and development of our employees is crucial not only for enhancing job performance and retention of talents but enables us to remain competitiveness and relevant in the ever-evolving technology industry.

To support this, employees receive essential training tailored to their roles, equipping them with the necessary skills to perform at their best. This not only enhances individual performance but also strengthens the organisation by fostering a knowledgeable and capable workforce. Managers carefully recommend relevant courses, which are then approved by the key management team to ensure alignment with both individual development and organisational objectives. Through these initiatives, we empower employees to enhance their professional skills, increase productivity, and advance their career prospects in a rapidly evolving market. Throughout FY2024, the Group provided a total of 633 training hours, averaging 21.1 hours per employee, reinforcing our commitment to provide continuous learning and development opportunities to our management and employees.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

OCCUPATIONAL SAFETY AND SAFETY

The Group is committed to ensuring the well-being of our employees and subcontractors (where applicable) by maintaining a safe and healthy work environment, both at our headquarters and during service installations at customer locations. This commitment is supported by strict internal processes, comprehensive procedures, and a safety-conscious culture that guides all operations. Our goal is to proactively eliminate or minimise workplace risks, focusing on achieving zero injuries across all locations. We foster an environment where safety is a shared responsibility, and all employees are expected to adhere to established safety and health protocols in their daily work. This dedication ensures the protection of our people and supports the long-term sustainability of our operations.

EMPLOYEE BENEFITS & WELFARE

The Group is dedicated to offering competitive compensation packages that go beyond the statutory minimum wage to attract and retain top talent. We understand that a well-rounded remuneration package is crucial for supporting employees in maintaining a healthy and fulfilling lifestyle and encouraging a positive work-life balance. Our comprehensive remuneration structure includes a competitive base salary, annual increments, and performance-based bonuses, ensuring that employees are rewarded for their contributions. In addition to meeting the legal requirements for employment benefits, the Group provides extra health and welfare benefits, demonstrating our commitment to creating a supportive and caring environment. These benefits are designed to support the well-being of our employees, offering them more than just financial compensation. Through these comprehensive packages, we aim to foster a workplace that values and supports its people, creating an environment where employees can thrive personally and professionally. The details of our benefits and privileges are depicted below.



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

EMPOWERING A COLLABORATIVE AND WELL-BEING CULTURE

We are committed to fostering a work culture that thrives on collaboration, creativity, and mutual respect. Our office is designed with an open-space seating arrangement to encourage spontaneous interactions and seamless communication. This layout enhances teamwork, strengthens connections, and fosters an environment where employees can easily share ideas and collaborate, ultimately boosting creativity and problem-solving. In addition to supporting collaboration, we prioritise employee wellness and work-life balance. To promote this, we have created a vibrant social hub at our headquarters, featuring a gym, television, pool tables, and other recreational facilities. This space encourages physical well-being, relaxation, and socialisation, allowing employees to unwind and recharge. We also organise out-of-work events, such as sponsoring sports activities and hosting annual company events, monthly team lunch, to strengthen team bonds further. These initiatives celebrate our employees' hard work, reward their dedication, and nurture a sense of camaraderie, ensuring our workplace remains one where everyone feels valued and part of a unified team.



GOVERNANCE

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 and will be able to enhance shareholder value.

In upholding proper 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

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE (CONT'D)

CORPORATE GOVERNANCE (CONT'D)

These policies are publicly available at <https://panda-eco.com/governance-meetings>. This Annual Report further details our corporate governance approach and practices in our CG Overview Statement ("Statement").

ETHICS, COMPLIANCE AND INTEGRITY

The Group is committed to upholding proper ethical standards by fully complying with all applicable laws and regulations. We strive to instil these principles in our employees and directors, ensuring they reflect our corporate values in every aspect of our operations. Our Code of Conduct outlines the expected behaviour for all employees and directors, ensuring that all business activities align with the laws and regulations of the countries in which we operate. It serves as a guide to address ethical challenges, helping individuals in managing ethical issues while providing clear channels for reporting unethical conduct. This framework fosters a culture of integrity, transparency, and accountability throughout the organisation.

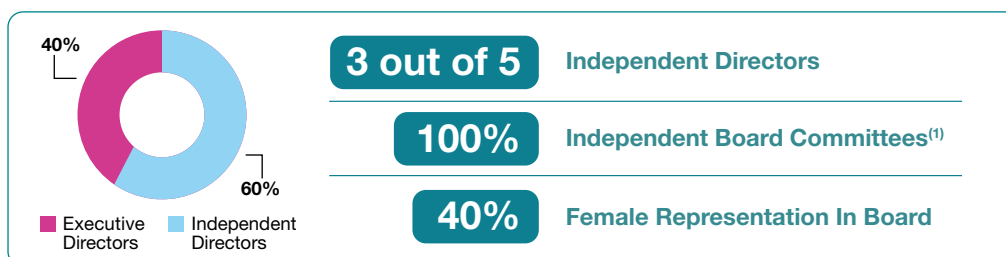
ANTI-BRIBERY AND CORRUPTION (ABC) POLICY

The Group has implemented an Anti-Bribery and Corruption (ABC) Policy that outlines clear policies, procedures, and controls to ensure all business operations are conducted with proper ethical and professional standards. This policy reinforces our zero-tolerance stance against all forms of bribery and corruption. To ensure strict enforcement, we have established a strong governance framework, with the Board of Directors holding ultimate responsibility for overseeing the ABC Policy across the Group. This commitment reflects our dedication to integrity, accountability, and ethical business practices at every level of our organisation.

BOARD GOVERNANCE

The Group fosters an effective and dynamic Board by prioritising diversity in age, ethnicity, and gender, while ensuring that each member's merit remains central. This approach brings together a wide range of perspectives, skills, qualifications, and expertise, enhancing the Board's capacity to meet the Company's strategic objectives and strengthening governance and decision-making. Our commitment to Board diversity and independence is reflected in our Board Charter, which mandates the inclusion of at least two women directors and ensures that at least half of the Board members are independent. This structure supports a balanced and impartial decision-making process.

Below is a snapshot of our Board's diversity and composition. For more detailed information on the Board's composition, including the skills, professional experience, and gender of each member, please refer to the Directors' Profile section of the Annual Report. We are committed to maintaining a majority independent and diverse Board, as we believe this diversity and independence are vital for achieving greater effectiveness, transparency, and governance excellence.



(1) Board Committees comprise Audit & Risk Management, Nomination and Remuneration Committees.

REGULATORY COMPLIANCE

Throughout FY2024, Panda Eco System Berhad upheld full compliance with all applicable policies, protocols and laws. The Company was not subjected to fines or regulatory actions concerning environmental regulations, social obligations, corporate integrity and anti-corruption initiatives.