

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Panda Eco System Berhad (“Panda” or “the Company”) is pleased to present the Corporate Governance (“CG”) Overview Statement for the financial year ended 31 December 2024 (“FYE 2024”), which has been prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and an overview on the application of the Principles of corporate governance as promulgated by the Malaysian Code on Corporate Governance issued on April 2021 (“MCCG 2021”). This CG Overview Statement should be read in conjunction with the Company’s CG Report, which has set out details on how the Company has applied the Practices as set out in MCCG 2021.

The enhancement of shareholder value, the promotion of long-term value, and the building of a sustainable business require good corporate governance. To this end, the Board is steadfast towards maintaining high standards of corporate governance within the Panda and its subsidiaries (“Panda Group” or “the Group”) and upholding the Principles of MCCG 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Group acknowledges the vital role played by the Board in the stewardship of the direction and business operations of the Group. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals, consideration of significant financial matters, review of the financial and operating performance of the Group and undertaking of major investments and capital expenditures.

I. BOARD RESPONSIBILITIES

The Company has an experienced Board that is primarily responsible for charting and reviewing the strategic direction of the Group and delegates the implementation of these directions to the management. The Board also ensures the implementation of appropriate risk management and internal control systems, including financial, operational and compliance to safeguard the shareholders’ interest and the Group’s assets. The Board has established certain guidelines to ensure the effective discharge of its functions. This has been formalised through the adoption of the Board Charter which can be accessed on the Company’s website <https://panda-eco.com/>. The Charter includes a list of specific functions that are reserved for the Board and Chairman. These responsibilities are further cascaded to the senior management team within the Company.

The Board has established Board Committees namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, which are entrusted with specific oversight responsibilities for Panda Group’s affairs. The Board Committees are granted the authority to act on each Board’s behalf in accordance with their respective Terms of Reference (“TOR”) and to report to the Board with their recommendations. The TOR of the Board Committees are available on the Company’s website. Further, the Board is also responsible in ensuring compliance by the Company and the Group with the AMLR, the Companies Act 2016 and rules of other relevant authorities.

The Company aims to ensure a balance of power and authority between the Chairman and the Executive Directors with a clear division of responsibility between the running of the Board and the business in the Group respectively. The Company also emphasises and practices a division of responsibility between the Executive and Non-Executive Directors. The distinct and separate roles of the Chairman and Executive Directors, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board, acts as a facilitator at the meetings and ensures that Board proceedings comply with good conduct and best practices. The Executive Directors are responsible for making and implementing operational and corporate decisions as well as developing, coordinating and implementing business and corporate strategies. The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, and advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

All Directors have unrestricted access to all information of the Group's business and affairs and have full access to management, Company Secretary, External Auditors and Internal Auditors for information needed to carry out their duties and responsibilities. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, in furtherance of their duties, at the Company's expense.

The Board has adopted the Board Charter, Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblowing Policy and Procedures and Fit and Proper Policy which are available on the Company's website.

II. BOARD COMPOSITION

As at the date of this report, the Board consists of 5 Directors i.e. 3 Independent Non-Executive Directors and 2 Executive Directors. The Independent Non-Executive Directors fulfilled the criteria of "Independence" as prescribed under the AMLR. This complies with the AMLR which requires at least 2 Directors or 1/3 of the Board, whichever is higher, to be Independent Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgment.

Panda has 2 female Independent Non-Executive Directors, providing a representation rate of 40% which complies with the new requirement of AMLR of Bursa Securities to have at least one (1) woman Director on the Board.

The Board supports gender diversity by having 2 female directors participation to bring diversity to the Board's deliberation and decision-making process.

The Board met on 5 occasions during the FYE 2024 and the details of attendance at Board Meetings is set out below: -

Name of Directors	Attendance	Percentage of attendance (%)
Yap Chee Kheng (resigned on 1 December 2024)	5/5	100%
Loo Chee Wee	5/5	100%
Tay Kheng Seng	5/5	100%
Chan Kam Chiew	5/5	100%
Dato' Leanne Koh Li Ann	5/5	100%
Siew Suet Wei	5/5	100%

Prior to each meeting, notice of meetings and agenda was circulated to all Directors together with the draft minutes of the previous meeting, respective reports/papers and other board meeting reference materials such as management reports and financial reports to be discussed were furnished to the Directors at least 7 days prior to the Board meeting via e-mail so that each Director had ample time to review the papers to enable informed decision making. The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes.

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. The Directors are aware that they should receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Training programmes and seminars attended by the Directors of the Company during the FYE 2024 are as follows: -

Name of Directors	No.	Seminar / Training Course Title	Date
Loo Chee Wee	1.	Bursa Malaysia – Melaka ESG Summit 2024	05 December 2024
	2.	ICDM : Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	09 December 2025 to 12 December 2025
Tay Kheng Seng	1.	Webinar – Beyond COP: From insights to competitive advantage	03 December 2024
	2.	Bursa Malaysia – Melaka ESG Summit 2024	05 December 2024
	3.	ICDM : Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	09 December 2025 to 12 December 2025
Chan Kam Chiew	1.	OCBC : 2024 Market Outlook	24 January 2024
	2.	KPMG : Navigating Capital Gains Tax	29 January 2024
	3.	KPMG : Conflict of Interest	05 March 2024
	4.	MASB/MIA : Seminar on IFRS Sustainability Disclosure Standards	07 March 2024
	5.	BDO : Talk - Simplifying e-invoicing	18 March 2024
	6.	KPMG : Tax digitalization in action: Landscape of e-Invoicing in Malaysia	19 March 2024
	7.	Rabobank Webinar: Opening the 2024 Chapter: Inflation, geopolitics and what lies ahead?	20 March 2024
	8.	BDO ESG Seminar - Mastering TCFD	14 May 2024
	9.	OCBC : Economic Market Updates	24 May 2024
	10.	MIA Conference 2024	11 June 2024 to 12 June 2024
	11.	Rabobank Webinar : Agri Commodity Markets and Energy Outlook	26 June 2024
	12.	Webinar: Transfer Pricing Awareness – OECD Pillar 1	10 July 2024
	13.	KPMG Board Leadership Center Exclusive I Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act 2024	11 September 2024
	14.	KPMG Webinar : Unlocking the Scope 3 opportunity – Insights from Asia Pacific businesses	19 September 2024
	15.	KPMG Workshop: Global Talent Mobilization – Tax and immigration perspective	01 October 2024
	16.	Bursa Academy : Conflict of Interest and Governance of Conflict of Interest	02 October 2024
	17.	KPMG Webinar: Enhance compliance through Malaysia's Tax Corporate Governance Program	04 October 2024
	18.	KPMG Symposium: Beyond ESG	07 October 2024
	19.	MKP : Malaysian Cross-Sector Merger Control on the Horizon - What to Expect and Lessons from Abroad	09 October 2024
	20.	KPMG : International Tax – Outbound investment into Vietnam	10 October 2024
	21.	ASPAC Board Leadership Centre (BLC) Webinar 2024 Geopolitical Risks and the Strategic Imperatives for Boards and C-Suite	17 October 2024
	22.	MASB : IASB-MASB Virtual Outreach on Exposure Draft Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures (revised 202x)	17 October 2024
	23.	BDO Tax Seminar 2024	05 November 2024
	24.	KPMG Tax and Business Summit 2024	06 November 2024
	25.	AOB Conversation with Audit Committees	19 November 2024
	26.	ICDM : Mandatory Accreditation Programme Part II - Leading For Impact (LIP)	09 December 2024 to 12 December 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Training programmes and seminars attended by the Directors of the Company during the FYE 2024 are as follows:-
(Cont'd)

Name of Directors	No.	Seminar / Training Course Title	Date
Dato' Leanne Koh Li Ann	1.	IFA Webinar: Pillar Two – How Far Have We Come	02 May 2024
	2.	Navigating climate transition risks in a circular economy	11 July 2024
	3.	National Tax Conference	22 July 2024 to 23 July 2024
	4.	Cybersecurity Oversight Board Responsibilities in light of Cybersecurity Bill 2024	11 September 2024
	5.	Global Talent Mobilisation – Tax and Immigration Perspective	01 October 2024
	6.	KPMG Symposium: Beyond ESG	07 October 2024
	7.	Geopolitical Risks and the Strategic Imperatives for Boards and C Suites	17 October 2024
	8.	KPMG Tax and Business Summit	02 October 2024
	9.	Asia School of Business: Bursa Academy: Conflict of Interest ("COI") and Governance of COI	06 November 2024
	10.	ICDM : Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	13 November 2024 to 14 November 2024
Siew Suet Wei	1.	Bursa : Conflict of Interest ("COI") and Governance of COI	10 July 2024
	2.	SSM National Conference 2024	27 August 2024 to 28 August 2024
	3.	ICDM : Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	13 November 2024 to 14 November 2024

Company Secretaries

The Board is supported by 2 external qualified and competent Company Secretaries, Lim Li Heong and Wong Mee Kiat. Both the Company Secretaries are qualified to act as Company Secretary under Section 235 of the Companies Act 2016. As the practising Company Secretaries, they have also attended continuous professional development programmes as required by MAICSA and the Companies Commission of Malaysia.

The Board is regularly updated and advised by the Company Secretaries on corporate governance, AMLR and Companies Act 2016. The Company Secretaries ensure that the deliberations at meetings of the Board and Board Committees are properly captured and minuted.

Nomination Committee

The Board has established a Nomination Committee ("NC") to assist the Board in their responsibilities in nominating new nominees to the Board and to assess the performance of the Board, the Board Committees and the Directors of the Company on an on-going basis. Full details of the NC's duties and responsibilities are stated in its TOR which is available on the Company's website.

The NC comprises exclusively of Independent Non-Executive Directors as follows: -

1. Siew Suet Wei (Chairperson)
2. Dato' Leanne Koh Li Ann
3. Chan Kam Chiew

The Company's Constitution provides that 1/3 or nearest to 1/3 of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every 3 years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their eligibility to stand for re-election at the Board Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- the Director's contributions to the Board and ability to continue to contribute productively;
- the Director's attendance at Board and committee meetings;
- the Director's compliance with the MCGG 2021;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

The NC had reviewed and assessed the size, mix of skill and experience, performance and contribution of the Board and Individual Directors and the independence of the Independent Directors, and is satisfied with the current composition and performance of the Board for the FYE 2024.

The NC met once during the FYE 2024. The details of the members' attendance were as follows: -

Name of NC Members	Attendance
Siew Suet Wei	1/1
Dato' Leanne Koh Li Ann	1/1
Chan Kam Chiew	1/1

III. DIRECTORS' REMUNERATION

The Remuneration Committee ("RC") comprises exclusively of Independent Non-Executive Directors. The members of the RC are as follows: -

1. Dato' Leanne Koh Li Ann (Chairperson)
2. Siew Suet Wei
3. Chan Kam Chiew

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the Company is in. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Director and performance of the Group. Individual Directors do not participate in the discussion and decision-making of their own remuneration to avoid conflict of interest.

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the skill function, workload and responsibilities involved, and after giving due consideration to the Group's performance.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The annual review during the FYE 2024 was conducted by the Remuneration Committee on 15 April 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. DIRECTORS' REMUNERATION (CONT'D)

Directors' remuneration from the Company and the Group for the FYE 2024 amounted to RM288,167 and RM1,962,971 respectively. Detailed information of Directors' remuneration on a named basis is disclosed under Practice 8.1 of the CG Report. The Board is of the view that the disclosure of the Senior Management's remuneration components will not be in the best interest of the Group given the competitive human resources environment as such disclosure may give rise to talent recruitment and retention issue. Also premised on the confidentiality of the remuneration package of the Senior Management, the Board has adopted a disclosure of the Senior Management's remuneration in bands of RM50,000 on an unnamed basis which is disclosed under Practice 8.2 of the CG Report.

The RC met once during the FYE 2024. The details of the members' attendance were as follows: -

Name of RC Members	Attendance
Dato' Leanne Koh Li Ann	1/1
Siew Suet Wei	1/1
Chan Kam Chiew	1/1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Board is assisted by the Audit and Risk Management Committee ("ARMC") which comprises 3 Independent Non-Executive Directors, to oversee the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls.

The members of ARMC are as follows: -

1. Chan Kam Chiew (Chairman)
2. Dato' Leanne Koh Li Ann
3. Siew Suet Wei

The Chairman of the ARMC is not the Chairman of the Board. The ARMC Chairman has full and unrestricted access to Executive Directors, Senior Management, External Auditors and Internal Auditors on all information necessary to enable him to discharge his duty. None of the members of the ARMC is a former key audit partner. The ARMC has implemented a policy that mandates a former key audit partner to wait for at least 3 years before being appointed as a member of the ARMC. This policy is included in the TOR of the ARMC.

Before the commencement of the current financial year audit, the ARMC had reviewed and deliberated with the External Auditors on their audit planning memorandum covering the risk areas, approach, emphasis and timeline. The members of ARMC are expected to regularly update their knowledge and improve their skills. After evaluating the performance of ARMC for FYE 2024, the Board is pleased to confirm that the Chairman and members of ARMC have effectively fulfilled their responsibilities. The independence, suitability and appointment/re-appointment of the External Auditors is reviewed by the ARMC annually.

II. Risk Management and Internal Control Framework

The Board affirms its responsibilities over the Group's system of risk management and internal control and acknowledges that such a system is an integral part of effective management practice. To this end, the Board confirms that the Group has implemented an ongoing process of identifying, evaluating, monitoring and managing the significant risks faced by the Company and the Group under its risk management and internal control framework. Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report.

The Board has delegated the review of the adequacy and effectiveness of the Group's risk management and internal control framework to the ARMC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

The Company aims to ensure that the shareholders and investors are kept informed of all major corporate developments, financial performance, Annual General Meeting (“AGM”) and other relevant information by promptly disseminating such information to shareholders and investors via announcements to Bursa Securities and the Company’s website at <https://panda-eco.com/>.

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders’ value and recognises the importance of timely dissemination of information to shareholders or stakeholders. The Board is accountable to shareholders as well as other stakeholders of the Company for the performances and operations of the Company. As such, the Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors.

II. Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction with shareholders. At the AGM, the Board presents the performance and progress of the Company and provides ample opportunity for shareholders to raise questions pertaining to the business activities of the Company. All the Directors and key management personnel are available to provide responses to questions raised by the shareholders during the AGM.

As recommended by the MCGG 2021, the notice of the Third AGM and Annual Report 2024 of the Company are sent 28 days prior to the AGM, so as to provide sufficient time for shareholders to read through the Annual Report and make the necessary time for attendance and voting arrangements. The notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper.

The Minutes of the Second AGM was also made available on the Company’s website.

STATEMENT OF DIRECTORS’ RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs, results and cash flows of the Company and of the Group at the end of each financial year. The Directors should also consider whether all relevant approved accounting standards in accordance with the requirements of the Companies Act 2016 have been followed in the preparation of the financial statements.

The Directors are satisfied that in preparing the financial statements for the FYE 2024, the Company and the Group have used the appropriate accounting policies and applied them consistently and prudently.

COMPLIANCE STATEMENT

The Board confirms that the Group has made significant effort to maintain high standards of corporate governance throughout the year under review. The Board acknowledges that achieving good in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards a high-level of integrity and ethical standards.

This Corporate Governance Overview Statement was approved by the Board on 15 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“the Board”) of Panda Eco System Berhad (“Panda” or “the Company”) is pleased to present the Report of the Audit and Risk Management Committee (“the ARMC Report”) for the financial year ended 31 December 2024 (“FYE 2024”). The ARMC Report provides insights into the manner the ARMC has discharged its duties and responsibilities in accordance with its Terms of Reference (“TOR”) for FYE 2024.

The ARMC was established to assist the Board in fulfilling its oversight responsibilities, specifically in the areas of financial reporting, corporate governance, risk management and internal control of Panda and its subsidiaries (“Panda Group” or “the Group”), as well as other areas of responsibilities that may be promulgated by the ACE Market Listing Requirements (“AMLR”) and the Malaysian Code on Corporate Governance 2021 (“MCCG” 2021) from time to time. The duties, responsibilities and authority of the ARMC are set out in its TOR which has been approved by the Board.

COMPOSITION & MEETING

The ARMC comprises of 3 members, all of whom are Independent Non-Executive Directors (“INED”). The composition of the ARMC complies with Rule 15.09 (1) of the AMLR the composition and the details of each ARMC member’s attendance for FYE 2024 are set out below:

Name	Designation	Meeting Attendance
Chan Kam Chiew	Chairman	5/5
Dato’ Leanne Koh Li Ann	Member	5/5
Siew Suet Wei	Member	5/5

The Chairman of the ARMC is a member of Malaysian Institute of Certified Public Accountants (“MICPA”) and the Malaysian Institute of Accountants (“MIA”). Profiles of the ARMC members are set out in the Directors’ Profile Section of this Annual Report.

The notice of ARMC meeting and relevant meeting papers are distributed in advance, normally 7 days prior to the meeting to enable the ARMC to have sufficient time to review the materials and allow for better preparation and understanding of the issues to be discussed. The quorum for a meeting shall be 2 members and the majority of members present at the meeting must be independent.

The Company Secretary shall be the Secretary of the ARMC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting. The Company Secretary shall be responsible for recording the minutes of ARMC meetings, which will be circulated to all members and tabled for confirmation at the next meeting.

The ARMC may call for a meeting as and when required with reasonable notice as the ARMC members deem fit. ARMC members may participate in a meeting through teleconference, telephone call or any other similar or other mode of communication that allows participants to hear each other. Such participation in a meeting shall constitute presence in person at such meeting and shall satisfy the quorum requirement.

The Executive Directors, Group General Manager and Group Financial Controller were invited to ARMC meetings to facilitate direct reporting by Executive Directors and Management and to provide updates on the operations, activities and financial performance of the Group. Representatives from the internal auditors, external auditors and other advisers of the Group are also invited to attend the ARMC meetings, to discuss specific matters which require their input and advice.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

COMPOSITION & MEETING (CONT'D)

The ARMC reports to the Board on its activities, deliberations and recommendations in discharging its duties and responsibilities. The summary of the work and key matters considered by the ARMC during FYE 2024 are as follows:

1. Financial Reporting
 - (a) Reviewed and discussed the unaudited quarterly financial results of Panda Group with the Management and recommended the same for the consideration and approval by the Board before releasing the same to Bursa Securities;
 - (b) Reviewed and discussed the audited financial statements together with the Directors' and auditor's statements with external auditors and the Management and recommended the same for the consideration and approval by the Board; and
 - (c) Discussed the key audit matters with external auditors and the Management.
2. Internal Audit and Risk Management
 - (a) Reviewed the internal audit plan and processes to ensure that the scope of work covered key risk areas;
 - (b) Reviewed the internal audit reports containing findings on areas of concern and and recommendations highlighted by the Internal Audit Function for improvements on the identified weaknesses and the Management responses thereto;
 - (c) Considered whether the outsourced Internal Auditor engagement team was free from any relationships or conflicts of interest, which could impair their objectivity and independence. It was brought to the ARMC's attention that there was no conflict of interest situation arising from Internal Audit engagement team for the FYE 2024; and
 - (d) Reviewed the Enterprise Risk Management ("ERM") reports of the Group. The ARMC monitored the management of top risks, as well as the performance of relevant Key Risk Indicators and Risk Indicators. The ARMC also proposed several process improvements to ensure effective risk identification and risk mitigation actions to reduce risk impact to an acceptable level.
3. External Audit
 - (a) Reviewed the external auditors' terms of engagement, audit plan, scope of work, audit fees and non-audit fees for the year under review;
 - (b) Reviewed the independence, performance and effectiveness of external auditors and made recommendations to the Board on their re-appointment and remuneration;
 - (c) Reviewed and discussed the significant issues arising from the financial audits: and
 - (d) Held two (2) private discussions with the external auditors without the presence of Management to ensure no restrictions on the scope of their audit and to discuss any matters that they wish to present.
4. Related Party Transactions
 - (a) Reviewed recurrent related party transactions ("RRPTs") of a revenue or trading nature entered into by the Group on quarterly basis to ensure that:
 - (i) the amounts transacted were within the approved shareholders' mandate;
 - (ii) the transactions were carried out on an arm's length basis and were not detrimental to the Company's minority shareholders and based on terms which were generally not more favourable than to unrelated parties; and
 - (b) Reviewed the Circular to Shareholders ("Circular") in relation to the proposed renewal of shareholders' mandate for existing RRPTs of a revenue or trading nature and recommended the same to the Board for approval prior to issuance of the Circular to shareholders;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

COMPOSITION & MEETING (CONT'D)

The ARMC reports to the Board on its activities, deliberations and recommendations in discharging its duties and responsibilities. The summary of the work and key matters considered by the ARMC during FYE 2024 are as follows: (Cont'd)

5. Conflict of Interest

Reviewed potential conflict of interest situations that may arise and the measures taken to mitigate any potential conflict of interest.

6. Other Matters

Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, Audit and Risk Management Committee Statement, Statement on Risk Management and Internal Control, Management Discussion and Analysis and recommended the same for approval by the Board.

Internal Audit Function

The ARMC recognises the importance of an adequately resourced internal audit function to assist in undertaking a systematic and disciplined approach to assess, evaluate and enhance the effectiveness of the Group's risk management, internal control and governance systems and processes, and to provide reasonable assurance that such systems and processes continue to operate effectively and in compliance with the Group's established objectives.

The Company has outsourced its internal audit function to, Resolve IR Sdn Bhd ("RESOLVE"), an independent professional firm. The Internal Audit Function's primary role is to assist the ARMC in undertaking independent assessment on the adequacy, efficiency and effectiveness of the Group's governance, risk management and internal control.

During the financial year under review, RESOLVE has undertaken the following activities: -

1. Conducted internal audit reviews in accordance with the internal audit plan that was approved by the ARMC; and
2. Presented results of internal audit reviews together with recommendations for improvement and management's responses to the internal audit results during quarterly ARMC meetings.

Total costs incurred on the outsourced internal audit function of the Group for FYE 2024 was approximately RM24,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) of Panda Eco System Berhad and its subsidiaries (“the Group”) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2024 (“FYE 2024”), which has been prepared in accordance to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance with guidance from the Statement on Risk Management and Internal Control” Guidelines for Directors of Listed Issuers.

BOARD’S RESPONSIBILITY

The Board acknowledges and affirms its overall responsibility for maintaining an effective and adequate system of risk management and internal control of the Group.

The system of internal control is designed to manage risks rather than eliminate all risks that may impede the achievement of the business objectives of the Group. Therefore, the system can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraudulent activities. The Board acknowledges that identifying, evaluating and managing the significant risks faced by the Group is a continuous process.

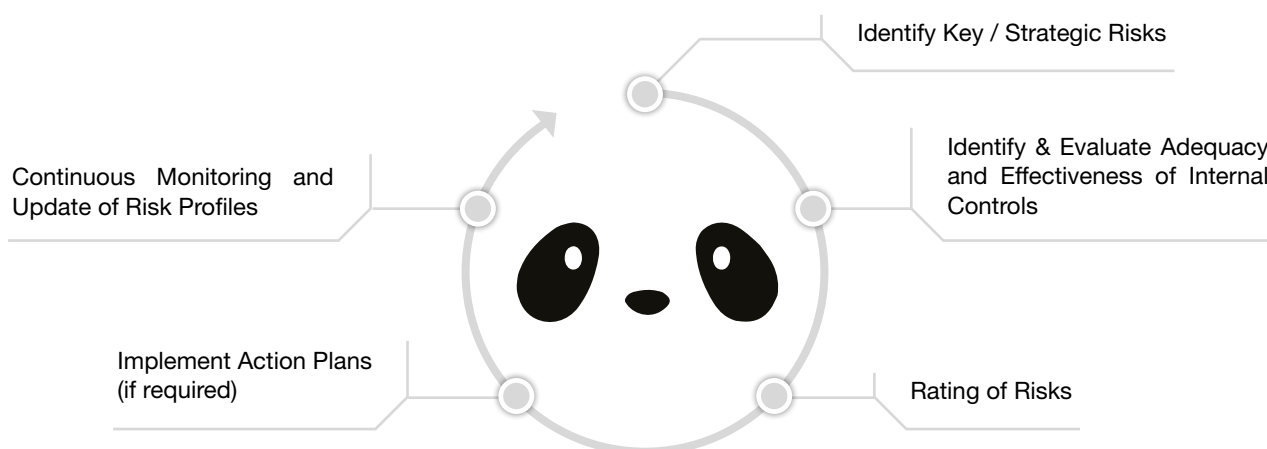
The Board, via the Audit and Risk Management Committee (“ARMC”), evaluates the adequacy and effectiveness of the system of risk management and internal control and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group’s business operations and oversees this area through the ARMC ensuring its effectiveness. The Group adopted the enterprise risk management (“ERM”) framework that is promulgated by the global risk management standard, ISO31000:2018 Risk Management – Principles and Guidelines, an internationally recognised risk management methodology.

The Group has a structured risk management process for timely identification, assessment of the identified risks, development of relevant risk action plan and continuous monitoring of key risks associated with functions, processes and activities to enable the Group to minimise losses and optimise opportunities.

The risk management process undertaken for the financial year under review is summarised below:



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

RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk identification, evaluation and management are undertaken by the Management from time to time and subsequently reported to the ARMC. The ongoing risk management process implemented within the Group defines, highlights, reports and manages the key risks within the Group.

The Risk Management Framework of the Group, including the risk management system as well as its processes, shall be reviewed periodically to ensure the framework continues to be effective, relevant and adequate in light of the business environment of the Group.

During the financial year, an annual update of the risk profiles was undertaken. Risk assessments were conducted with related risk owners to update the Group's risk profiles. All risks identified were individually assessed and ranked, having regard to the impact of the identified risk, likelihood or frequency of risk occurring, and effectiveness of the internal control systems currently in place to manage these key risks. Risk management activities are reported to the ARMC to keep the ARMC informed and advised of key risks and risk trends.

INTERNAL CONTROL

The Group's risk management is supported by an internal control system which applies to all subsidiaries in the Group. Apart from the risk management framework and internal audit, the system of internal controls also consists of the following:

- **Organisation and Reporting Structure**
A formal organisation structure has also been put in place with well-defined scope of responsibilities, clear lines of accountability and appropriate level of delegated authority.
- **Policies and Procedures**
To ensure the Group has effective internal controls to manage its risks, the Group has developed standard operating procedures ("SOP") and other policies to regulate and guide the employees on the day-to-day operations of the Group. These SOPs will not only create uniformity in the operations of the Group but also safeguard the assets of the Group against material losses.
- **Code of Conduct**
The Group aims to uphold a high level of integrity and ethical values in its business dealings. In line with such aspirations, the Group has put in place a Code of Conduct to cultivate integrity and ethical behaviour in the organisation to educate all employees to maintain the required standards of integrity, ethics, responsibility and professionalism in all business dealings.
- **Monitoring and Review**
Monthly management accounts are prepared by the Finance Department for Management's review, whilst quarterly financial results are presented to the ARMC and the Board to monitor the Group's progress toward achieving its business objectives. There are periodically operational meetings which to discuss existing or new operational risks in order to formulate the strategies to mitigate the identified risks. Aside from the periodically operational meetings, the Executive Directors are closely involved in operations, with scheduled management meetings held with Key Management, in order to review the performance of the entities within the Group, including, financial performance, technical support, software development and human resource.
- **Anti Bribery and Corruption ("ABC") Policy**
ABC policy provides guidance to the Directors, employees and business associates on standard behaviour to which they must adhere to and know how to recognise and deal with bribery and corruption issues.
- **Whistle Blowing Policy**
The policy provides an avenue for employees and other stakeholders to report unethical, unlawful and undesirable conduct in a safe and confidential environment.

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

INTERNAL AUDIT

The Group outsourced its internal audit function ("IA function") to an independent professional firm, namely Resolve IR Sdn Bhd ("RESOLVE") that reports directly to ARMC. The internal audit function provides the ARMC with an independent assessment of the adequacy and effectiveness of the Group's system of internal control.

The internal audit reviews were performed based on an internal audit plan approved by the ARMC. Internal Audit review findings together with management's response and action plans were presented to the ARMC. Follow-up reviews will be conducted to determine that corrective action plans have been implemented and the findings shall be presented to the ARMC.

RESOLVE is free from any relationships or conflicts of interest, which could potentially impair the objectivity and independence of the IA function. The ARMC is of the opinion that the IA function is effective and able to function independently. The IA function was carried out in accordance with a recognised standard, the International Professional Practice Framework issued by the Institute of Internal Auditors.

The IA function is headed by the Chief Executive Officer of Resolve, Mr Choo Seng Choon, who is a Fellow of the Association of Chartered Certified Accountants of UK, Chartered Accountant of Malaysian Institute of Accountants and Chartered Member of The Institute of Internal Auditors Malaysia. Mr Choo has over 25 years of professional experience in internal audit, risk management, corporate governance, performance & business management, Initial Public Offerings, taxation, due diligence and corporate finance. He was assisted by a team of 2 to 3 members.

During the financial year under review, Resolve conducted the internal audit exercise by reviewing the Group's Human Resource Management and Anti-Corruption Management in accordance with the approved Internal Audit Plan. The results of the internal audit, including areas for enhancements, were reported to ARMC in November 2024. The costs incurred in engaging Resolve for the financial year ended 31 December 2024 amounted to approximately RM24,000.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement, pursuant to the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the year ended 31 December 2024 and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and views by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will remedy the problems.

ASSURANCE PROVIDED BY THE CHIEF EXECUTIVE OFFICER AND PERSON PRIMARILY RESPONSIBLE FOR THE MANAGEMENT OF FINANCIAL AFFAIRS AND SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The Chief Executive Officer, the person primarily responsible for the management of the financial affairs and performance of the Group, had assured the Board, that in accordance to the best of his knowledge, the system of risk management and internal control of the Group is operating adequately and effectively in all material aspects.

THE BOARD'S CONCLUSION

The Board is committed to continually review the system of risk management and internal control system of the Group to enable the Board to make appropriate decisions and take the appropriate actions to improve and strengthen the system of risk management and internal control system of the Group. This is to safeguard the investments and assets of the Group as well as the interests of relevant stakeholders.

The Board is of the view that the system of risk management and internal control is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosures in this Annual Report.

This Statement is approved by the Board on 15 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirements of Bursa Securities: -

1. Material Contracts Involving Directors and/or Major Shareholders

Save as disclosed below, there were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial year:

- (i) Share Sale Agreement dated 28 November 2024 entered into between Panda as Purchaser and Yeow Cheng Hock, Ho Soo Cherng, Ding Chew Keat and Cheok Kian Hing as Vendors for the acquisition of 100% equity interest in Gross Synergy Sdn Bhd and Day One Technology Sdn Bhd for a total purchase consideration of RM17,060,424 satisfied by a combination of cash of RM11,089,276 and RM5,971,148 via the issuance of 19,462,674 new ordinary shares in the Company at an issue price of RM0.3068 per share ("Proposed Acquisitions"). The Company will seek shareholders' approval at an EGM to be convened.

2. Utilisation of Proceeds Raised from Corporate Proposals

Panda was listed on the ACE Market of Bursa Securities on 27 November 2023. As part of the listing exercise, the Company undertook a public issue of 109,286,800 new ordinary shares at an issue price of RM0.16 per share, raising gross proceeds of approximately RM17.49 million.

As at 31 December 2024, the utilisation of the IPO Proceeds is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'000	RM'000		RM'000	%	
Research and development of new solutions	2,712	1,233	Within 36 months	1,479	54.54	Within intended timeframe
Business expansion						
• Regional expansion in ASEAN countries	1,890	-	Within 36 months	1,890	100.00	Within intended timeframe
• Establishing additional service hubs within Malaysia	2,634	788	Within 24 months	1,846	70.08	Within intended timeframe
Expansion of customer technical support department	1,680	354	Within 24 months	1,326	78.93	Within intended timeframe
Headquarter's expansion	3,000	-	Within 36 months	3,000	100.00	Within intended timeframe
Working capital	2,833	2,833	Within 24 months	-	-	Within intended timeframe
Estimated listing expenses	2,736	2,736	Within 1 month	-	-	Within intended timeframe
Total	17,485	7,944		9,541		

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirements of Bursa Securities: - (Cont'd)

3. Loan Contracts

There were no contracts which relate to a loan entered into by the Company and its subsidiaries during the financial year ended 31 December 2024.

4. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

Pursuant to the shareholders' mandate obtained at the Company's Second Annual General Meeting held on 19 June 2024, details of RRPT of a revenue or trading nature conducted during the financial year under review are as follows: -

Name of Related Parties	Transacting company in the Group	Interested Directors and Major Shareholders	Nature of relationship	Nature of transaction	Aggregate Value of transactions from 1 January 2024 to 31 December 2024 (RM)
E-Tech IT Sdn Bhd ("E-Tech IT")	KK Computer Sdn Bhd. ("KK Computer")	Tay Kheng Seng Loo Chee Wee	Tay Kheng Seng and Loo Chee Wee are Panda's Executive Directors and substantial shareholders. Tay Kheng Seng and Loo Chee Wee are also the indirect shareholders of E-Tech IT via Goldcoin Pavilion Sdn Bhd.	Purchase of computer hardware such as point-of-sale equipment, server and accessories from E-Tech IT	16,747
E-Tech IT	Panda Software House Sdn. Bhd. ("Panda Software")	Tay Kheng Seng Loo Chee Wee	Tay Kheng Seng and Loo Chee Wee are Panda's Executive Directors and substantial shareholders. Tay Kheng Seng and Loo Chee Wee are also the indirect shareholders of E-Tech IT via Goldcoin Pavilion Sdn Bhd.	Purchase of computer hardware such as point-of-sale equipment, server, computer and accessories from E-Tech IT	895,196
VitalProp Sdn Bhd	Panda Software	Wong Khai Meng	Wong Khai Meng is Panda's shareholder and the director of Rexbridge. Wong Khai Meng is the Chief Executive Officer of CC International Berhad, which is the holding company of Cheng & Co Global Advisory Sdn Bhd. Wong Khai Meng is also a director and shareholder of VitalProp, which is the registered owner / landlord of the property.	Rental of office to Panda Software	3,000

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirements of Bursa Securities: - (Cont'd)

4. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT") (Cont'd)

Pursuant to the shareholders' mandate obtained at the Company's Second Annual General Meeting held on 19 June 2024, details of RRPT of a revenue or trading nature conducted during the financial year under review are as follows: - (Cont'd)

Name of Related Parties	Transacting company in the Group	Interested Directors and Major Shareholders	Nature of relationship	Nature of transaction	Aggregate Value of transactions from 1 January 2024 to 31 December 2024 (RM)
Loo Chee Wee Tay Kheng Seng	Panda Software	Loo Chee Wee Tay Kheng Seng	Loo Chee Wee and Tay Kheng Seng, are Panda's Executive Directors and substantial shareholders.	Rental of office to Panda Software	21,600
Loo Chee Wee Tay Kheng Seng	KK Computer	Loo Chee Wee Tay Kheng Seng	Loo Chee Wee and Tay Kheng Seng, are Panda's Executive Directors and substantial shareholders.	Rental of office to KK Computer	14,400
Loo Chee Wee Tay Kheng Seng	020 Digital Sdn. Bhd. ("020 Digital")	Loo Chee Wee Tay Kheng Seng	Loo Chee Wee and Tay Kheng Seng, are Panda's Executive Directors and substantial shareholders.	Rental of office to 020 Digital	19,200

Note: Details of related party transactions are disclosed in Note 28 of the Audited Financial Statements, of which none of the actual value of transactions conducted pursuant to the shareholders' mandate during the financial year exceeded the applicable prescribed threshold under Rule 10.09(2) of the ACE Market Listing Requirements of Bursa Securities.

5. Audit and Non-Audit Fees

For the financial year ended 31 December 2024, the amount of audit and non-audit fees paid/payable by the Company and the Group to the External Auditors and/or its affiliated corporations are as follows: -

	The Company RM	The Group RM
Audit fees	28,000	95,000
Non-audit fees - Statement of Risk Management and Internal Control	5,000	5,000

FINANCIAL STATEMENTS

DIRECTORS' REPORT	58
STATEMENT BY DIRECTORS	63
STATUTORY DECLARATION	63
INDEPENDENT AUDITORS' REPORT	64
STATEMENTS OF FINANCIAL POSITION	68
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	69
STATEMENTS OF CHANGES IN EQUITY	70
STATEMENTS OF CASH FLOWS	72
NOTES TO THE FINANCIAL STATEMENTS	74

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The principal activities of the subsidiaries are to provide software development, customisation, implementation and integration of Information Technology ("IT") solutions as well as IT solutions support, maintenance and training for the use of IT solutions, trading of IT hardware and software, IT technical support and maintenance, consultancy and business development for IT solutions.

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	8,082,521	3,226,052

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2023 are as follows:-

	RM
Ordinary Share	
A special interim single-tier dividend of RM0.005 per ordinary share, paid on 27 December 2024	3,355,935

At the forthcoming Annual General Meeting, a final single-tier dividend of RM0.0025 per ordinary share amounting to RM1,677,968 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issuance of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT (CONT'D)

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Loo Chee Wee
Tay Kheng Seng
Chan Kam Chiew
Dato' Leanne Koh Li Ann
Siew Suet Wei
Yap Chee Kheng (Resigned on 1.12.2024)

The directors who served in the subsidiaries during the financial year up to the date of this report are as follows:-

Loo Chee Wee
Tay Kheng Seng
Bong Kok Choo
Keow Yih Yun
Loo Siau Sun
Wong Khai Meng

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

< ----- Number of Ordinary Shares ----- >				
	At			At
	1.1.2024	Bought	Sold	31.12.2024

THE COMPANY

DIRECT INTERESTS

Dato' Leanne Koh Li Ann	200,000	-	-	200,000
Chan Kam Chiew	200,000	-	-	200,000
Siew Suet Wei	200,000	-	-	200,000

INDIRECT INTERESTS

Loo Chee Wee #	467,219,800	-	-	467,219,800
Tay Kheng Seng *	478,217,200	-	-	478,217,200

ULTIMATE HOLDING COMPANY GOLDCOIN CAPITAL SDN. BHD.

DIRECT INTERESTS

Loo Chee Wee	100	-	-	100
Tay Kheng Seng	100	-	-	100

Deemed interested by virtue of his direct substantial shareholding in Goldcoin Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

* Deemed interested by virtue of his direct substantial shareholding in Goldcoin Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of his spouse's shareholding in the Company pursuant to Section 59(11) (c) of the Companies Act 2016.

By virtue of their shareholdings in ultimate holding company, Loo Chee Wee and Tay Kheng Seng are deemed to have interests in shares of the Company and its related corporations during the financial year to the extent of the ultimate holding company's interest, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no directors has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from those transactions entered into the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 28(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	264,167	264,167
Salaries, bonuses and other benefits	1,431,854	24,000
Defined contribution benefits	266,950	-
	1,962,971	288,167

INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM5,000,000 and RM10,000 respectively.

There was no indemnity given to or professional indemnity insurance effected for the auditors of the Company.

SUBSIDIARIES

- The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 6 to the financial statements.
- The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 28 November 2024, the Company entered into a conditional share sale agreement with Yeow Cheng Hock, Ho Soo Cherng, Ding Chew Keat and Cheok Kian Hing (collectively referred as "Vendors") to acquire their interests in the following companies ("Proposed Acquisitions"):-

- Acquisition of the entire equity interest in Gross Synergy Sdn. Bhd. ("GSSB") of 100,000 ordinary shares in GSSB from the Vendors; and
- Acquisition of the entire equity interest in Day One Technology Sdn. Bhd. ("DOTSB") of 50,000 ordinary shares in DOTSB from the Vendors;

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)

On 28 November 2024, the Company entered into a conditional share sale agreement with Yeow Cheng Hock, Ho Soo Cherng, Ding Chew Keat and Cheok Kian Hing (collectively referred as "Vendors") to acquire their interests in the following companies ("Proposed Acquisitions")(Cont'd):-

for a total purchase consideration of RM17,060,424 which will be satisfied via a combination of:

- (i) Cash of RM11,089,276; and
- (ii) RM5,971,148 via the issuance of 19,462,674 new ordinary shares in the Company at an issue price of RM0.3068 per share.

On 9 April 2025, Bursa has approved the Proposed Acquisitions subject to certain conditions including obtaining shareholders' approval. The Company will seek its shareholders' approval at the forthcoming Extraordinary General Meetings to be convened.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 2 January 2025, the Company acquired a 51% equity interest in Centra Solutions Sdn. Bhd. ("CSSB"), comprising 51 ordinary shares out of 100 ordinary shares, for a cash consideration of RM51. Consequently, CSSB became a subsidiary of the Company. On 13 January 2025, the Company increased its investment in CSSB from RM51 to RM102,000 when CSSB increased its total paid up share capital to RM200,000.

ULTIMATE HOLDING COMPANY

The ultimate holding company is Goldcoin Capital Sdn. Bhd., a company incorporated in Malaysia.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	95,000	28,000
Non-audit fees	5,000	5,000
	100,000	33,000

Signed in accordance with a resolution of the directors dated 15 April 2025

Loo Chee Wee

Tay Kheng Seng

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Loo Chee Wee and Tay Kheng Seng, being two of the directors of Panda Eco System Berhad, state that, in the opinion of the directors, the financial statements set out on pages 68 to 102 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 15 April 2025

Loo Chee Wee

Tay Kheng Seng

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) (B) OF THE COMPANIES ACT 2016

I, Loo Chee Wee, being the director primarily responsible for the financial management of Panda Eco System Berhad, do solemnly and sincerely declare that the financial statements set out on pages 68 to 102 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Loo Chee Wee, NRIC Number: 701225-04-5333
at Melaka
in the state of Melaka
on this 15 April 2025

Loo Chee Wee

Before me
Shahrizah Binti Yahya (No.M084)
Commissioner for Oaths
Melaka, Malaysia

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANDA ECO SYSTEM BERHAD

(Incorporated In Malaysia)
Registration No: 202201028635 (1474332-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Panda Eco System Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 102.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
Revenue Recognition (Refer to Note 21 in the financial statements)	
<p>Consolidated revenue recorded by the Group during the year amounted to approximately RM31.16 million. We consider revenue recognition for sale of goods and delivery of services to be a potential cause for higher risk of material misstatement as this required significant judgement in identifying each separate performance obligations in the contracts.</p> <p>This judgement could materiality affect the timing of recognition and amount of revenue recognised.</p> <p>Accordingly, we regard revenue recognition to be a key audit matter.</p>	<p>Our procedures included, amongst others the followings:</p> <ul style="list-style-type: none"> Tested the operating effectiveness of internal control over the completeness, accuracy and timing of revenue recognised in the financial statements; Reviewed the terms of quotations to determine the point of control transfer to the customers on sampling basis; Verified the recording of sales transactions is recognised in accordance with MFRS 15 Revenue from Contract with Customers;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANDA ECO SYSTEM BERHAD (CONT'D)

(Incorporated In Malaysia)
Registration No: 202201028635 (1474332-M)

Key Audit Matters (Cont'd)

We have determined the matter described below to be the key audit matter to be communicated in our report. (Cont'd)

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
Revenue Recognition (Refer to Note 21 in the financial statements)	<p>Our procedures included, amongst others the followings (Cont'd):</p> <ul style="list-style-type: none"> Reviewed revenue cut-off and credit notes after year end; and Obtained confirmations from trade receivables as at the financial year end on sampling basis and reviewed collections relating to material trade receivables during and after the financial year end.

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
<p>Recognition of Intangible Assets (Refer to Note 9 in the financial statements)</p> <p>The intangible assets of the Group as of 31 December 2024 is approximately RM2.59 million which relates to design and development cost of new software products.</p> <p>An intangible asset can only be recognised when an entity can demonstrate its technical and financial feasibility and the Group's intention to generate future economic benefits (i.e revenue generated from sales of the software products).</p> <p>This involves judgement and the timing to recognise intangible assets.</p> <p>As such, we regard recognition of intangible assets to be a key audit matter.</p>	<p>Our procedures included, amongst others the following:</p> <ul style="list-style-type: none"> Reviewed the technical feasibility study of the development projects; Evaluated the intention of the Group to complete the development projects; Reviewed future cash flow estimates and the assumptions used by the management for deriving the value in use ("VIU"); and Evaluated the key assumptions applied such as revenue generated from the development projects and discount rate.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANDA ECO SYSTEM BERHAD (CONT'D)

(Incorporated In Malaysia)
Registration No: 202201028635 (1474332-M)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANDA ECO SYSTEM BERHAD (CONT'D)

(Incorporated In Malaysia)
Registration No: 202201028635 (1474332-M)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Melaka

15 April 2025

Tan Guan Seng
03387/08/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		The Group		The Company	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	5,619,000	5,619,000
Plant and equipment	7	994,901	1,334,825	-	-
Right-of-use assets	8	212,087	118,011	-	-
Intangible assets	9	2,593,771	1,988,530	-	-
Deferred tax assets	10	149,000	66,000	-	-
		3,949,759	3,507,366	5,619,000	5,619,000
CURRENT ASSETS					
Inventories	11	190,692	151,889	-	-
Trade receivables	12	3,780,867	3,834,391	-	-
Other receivables, deposits and prepayments	13	2,231,324	450,821	1,901,808	3,167,628
Contract assets	14(a)	4,200	268,275	-	-
Current tax assets		1,035,579	669,656	-	-
Fixed deposits with licensed banks	15	23,345,746	23,959,074	15,050,000	14,000,000
Cash and bank balances		10,655,633	5,730,206	536,676	410,391
		41,244,041	35,064,312	17,488,484	17,578,019
TOTAL ASSETS		45,193,800	38,571,678	23,107,484	23,197,019
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16(a)	22,172,766	22,172,766	22,172,766	22,172,766
Merger deficit	17	(5,239,000)	(5,239,000)	-	-
Retained profits		20,263,992	15,537,406	713,240	843,123
TOTAL EQUITY		37,197,758	32,471,172	22,886,006	23,015,889
NON-CURRENT LIABILITIES					
Lease liabilities	18	81,249	93,210	-	-
Deferred tax liabilities	10	240,400	262,600	-	-
		321,649	355,810	-	-
CURRENT LIABILITIES					
Trade payables	19	740,805	766,260	-	-
Other payables and accruals	20	4,349,834	3,580,180	197,141	173,630
Contract liabilities	14(b)	2,443,476	1,369,338	-	-
Lease liabilities	18	140,278	28,918	-	-
Current tax liabilities		-	-	24,337	7,500
		7,674,393	5,744,696	221,478	181,130
TOTAL LIABILITIES		7,996,042	6,100,506	221,478	181,130
TOTAL EQUITY AND LIABILITIES		45,193,800	38,571,678	23,107,484	23,197,019

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		The Group		The Company	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	21	31,161,361	23,768,628	4,000,000	3,000,000
COST OF SALES		(13,945,814)	(10,844,809)	-	-
GROSS PROFIT		17,215,547	12,923,819	4,000,000	3,000,000
OTHER INCOME		1,037,970	391,352	526,565	31,444
ADMINISTRATIVE EXPENSES		(6,990,970)	(6,949,375)	(1,184,904)	(2,174,601)
FINANCE COSTS		(16,341)	(5,642)	-	(707)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	22	(163,404)	(54,007)	-	-
PROFIT BEFORE TAXATION	23	11,082,802	6,306,147	3,341,661	856,136
INCOME TAX EXPENSE	24	(3,000,281)	(2,003,188)	(115,609)	(7,500)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		8,082,521	4,302,959	3,226,052	848,636
EARNINGS PER SHARE (SEN)					
Basic and Diluted	25	1.20	0.75		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

			<- NON-DISTRIBUTABLE ->		DISTRIBUTABLE	
	NOTE	SHARE CAPITAL RM	INVESTED CAPITAL RM	MERGER DEFICIT RM	RETAINED PFOFITS RM	TOTAL EQUITY RM
The Group						
Balance at 1.1.2023		5	380,000	-	12,234,447	12,614,452
Profit after taxation/Total comprehensive income for the financial year		-	-	-	4,302,959	4,302,959
Dividends paid:						
- by the subsidiaries (before acquisitions of the subsidiaries)	26	-	-	-	(1,000,000)	(1,000,000)
Issuance of shares for:						
- acquisitions of subsidiaries	16(a)&(b)	5,619,000	(380,000)	(5,239,000)	-	-
- public issue	16(a)	17,485,888	-	-	-	17,485,888
- share issuance expenses	16(a)	(932,127)	-	-	-	(932,127)
Total contributions by and distributions to owners		22,172,761	(380,000)	(5,239,000)	(1,000,000)	15,553,761
Balance at 31.12.2023/ 1.1.2024		22,172,766	-	(5,239,000)	15,537,406	32,471,172
Profit after taxation/Total comprehensive income for the financial year		-	-	-	8,082,521	8,082,521
Dividend	26	-	-	-	(3,355,935)	(3,355,935)
Balance at 31.12.2024		22,172,766	-	(5,239,000)	20,263,992	37,197,758
		Note 16(a)	Note 16(b)	Note 17		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

		(ACCUMULATED LOSSES)/ SHARE CAPITAL RM	RETAINED PROFITS RM	TOTAL EQUITY RM
	NOTE			
The Company				
Balance at 1.1.2023		5	(5,513)	(5,508)
Profit after taxation/Total comprehensive income for the financial year		-	848,636	848,636
Issuance of shares for:				
- acquisitions of subsidiaries	16(a)	5,619,000	-	5,619,000
- public issue	16(a)	17,485,888	-	17,485,888
- share issuance expenses	16(a)	(932,127)	-	(932,127)
Total contributions by and distributions to owners		22,172,761	-	22,172,761
Balance at 31.12.2023/ 1.1.2024		22,172,766	843,123	23,015,889
Profit after taxation/Total comprehensive income for the financial year		-	3,226,052	3,226,052
Dividend	26	-	(3,355,935)	(3,355,935)
Balance at 31.12.2024		22,172,766	713,240	22,886,006

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	11,082,802	6,306,147	3,341,661	856,136
Adjustments for:-				
Allowance for impairment losses on inventories	2,379	36,745	-	-
Depreciation:				
- plant and equipment	256,048	143,238	-	-
- right-of-use assets	119,982	32,163	-	-
Dividend income	-	-	(4,000,000)	(3,000,000)
Gain on disposal of other investments	-	(35,625)	-	-
Intercompany interest expense	-	-	-	707
Interest expense on lease liabilities	16,341	5,642	-	-
Interest income	(912,842)	(206,717)	(526,565)	(31,444)
(Gain)/Loss on disposal of plant and equipment	(65,250)	2,842	-	-
Net impairment losses on trade receivables	163,404	54,007	-	-
Plant and equipment written off	11,685	-	-	-
Reversal of impairment losses on inventories	(12,582)	-	-	-
Operating profit/(loss) before working capital changes	10,661,967	6,338,442	(1,184,904)	(2,174,601)
Changes in working capital:				
Inventories	(28,600)	91,139	-	-
Contract assets	264,075	(133,490)	-	-
Trade and other receivables	(184,341)	(1,411,113)	(28,138)	(167,628)
Trade and other payables	744,199	1,246,789	34,641	156,987
Contract liabilities	1,074,138	874,754	-	-
CASH FROM/(FOR) OPERATIONS	12,531,438	7,006,521	(1,178,401)	(2,185,242)
Income tax paid	(3,471,404)	(2,432,888)	(98,772)	-
Dividend income	-	-	7,000,000	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	9,060,034	4,573,633	5,722,827	(2,185,242)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

		The Group		The Company	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investment in intangible assets		(605,241)	(805,623)	-	-
Deposits paid for the proposed acquisitions of companies		(1,706,042)	-	(1,706,042)	-
Interest income received		912,842	206,717	526,565	31,444
Addition to fixed deposits with tenure more than 3 months		(2,050,000)	-	(2,050,000)	-
Proceeds from disposal of other investments		-	66,975	-	-
Proceeds from disposal of plant and equipment		248,000	600	-	-
Purchase of other investments		-	(31,350)	-	-
Purchase of plant and equipment		(110,559)	(671,967)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(3,311,000)	(1,234,648)	(3,229,477)	31,444
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
(Repayment to)/Advances from a subsidiary	27(b)	-	-	(11,130)	11,130
Dividends paid	27(a)	(3,355,935)	(1,000,000)	(3,355,935)	-
Interest paid	27(b)	(16,341)	(5,642)	-	(707)
Repayment of lease liabilities	27(b)	(114,659)	(30,358)	-	-
Proceeds from issuance of ordinary shares	16(a)	-	17,485,888	-	17,485,888
Payment of share issuance expenses	16(a)	-	(932,127)	-	(932,127)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(3,486,935)	15,517,761	(3,367,065)	16,564,184
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,262,099	18,856,746	(873,715)	14,410,386
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		29,689,280	10,832,534	14,410,391	5
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27(d)	31,951,379	29,689,280	13,536,676	14,410,391

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 5, Tower 8 Avenue 5, Horizon 2 Bangsar South City 59200 Kuala Lumpur
Principal place of business	:	No 28-1 & 30-1, Jalan PPM 13 Plaza Pandan Malim Business Park Balai Panjang, 75250 Melaka

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 15 April 2025.

2. ULTIMATE HOLDING COMPANY

The ultimate holding company is Goldcoin Capital Sdn. Bhd., a company incorporated in Malaysia.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 4.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) are expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year other than as disclosed below:-

(a) Amortisation of Development Costs

The estimates for the residual values, useful lives and related amortisation charges for the development costs are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its development costs will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

(b) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Revenue Recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of service tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract.

(d) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

Critical Judgement Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

5.3 BASIS OF CONSOLIDATION

The Group applies the acquisitions method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital and capital reserves of the merger entities is reflected within equity as merger deficit.

5.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

5.5 PLANT AND EQUIPMENT

All items of plant and equipment are initially measured at cost.

Subsequent to initial recognition, all plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Office equipment	10% - 20%
Renovation	10%
Motor vehicles	10%
Furniture, fittings and other equipment	10% - 33%
Solar photovoltaic system	15%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities’ incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

5.7 RESEARCH AND DEVELOPMENT COSTS

Research and development costs that do not meet the criteria for capitalisation are recognised as an expense when they are incurred.

Capitalised development costs are initially measured at cost. Subsequent to the initial recognition, the development costs are stated at cost less accumulated amortisation and any accumulated impairment losses. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

Capitalised development costs are amortised from the point at which the asset is available for use using the straight-line method over periods ranging from 5 to 10 years. Prior to that, the capitalised development costs are tested for impairment annually and whenever there is an indication that they may be impaired.

5.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

5.9 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group’s right to consideration is conditional on something other than the passage of time.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.10 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, net of service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sales of computer software and application software

Revenue from sales of computer software and application software are recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

(ii) Sales of hardware

Revenue from sales of hardware is recognised at a point in time when the goods have been delivered to the customer and upon its acceptance, and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the goods sold.

(iii) Registration fee and subscription fee

Revenue from registration fee and subscription fee are recognised based on the actual service provided to the end of reporting period.

(iv) Software maintenance fee

Software maintenance fee is recognised over time in the period in which the services are rendered.

(v) Training

Revenue from training is recognised at a point in time upon performance of services and customer's acceptance, net of trade discounts, if any.

(vi) Seminar

Revenue from seminar is recognised at a point in time when the services have been rendered to the customers.

5.11 REVENUE FROM OTHER SOURCES

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

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	5,619,000	5,619,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by the Company		Principal Activities
		2024	2023	
Subsidiaries of the Company				
Panda Software House Sdn. Bhd.	Malaysia	100%	100%	To provide software development, customisation, implementation and integration of IT solutions as well as IT solutions support, maintenance and training for the use of IT solutions; and trading of IT hardware as well as to provide IT technical support and maintenance.
KK Computer Sdn. Bhd.	Malaysia	100%	100%	Trading of IT hardware and software as well as to provide IT technical support and maintenance; and to provide software development, customisation, consultancy and business development for IT solutions.
Rexbridge Sdn. Bhd.	Malaysia	100%	100%	To provide software development, customisation, consultancy and business development for IT solutions.
020 Digital Sdn. Bhd.	Malaysia	100%	100%	To provide software development, customisation, consultancy and business development for IT solutions.

7. PLANT AND EQUIPMENT

	AT 1.1.2024 RM	ADDITIONS RM	DISPOSALS RM	WRITTEN OFF RM	DEPRECIATION CHARGES (Note 23) RM	AT 31.12.2024 RM
The Group						
2024						
CARRYING AMOUNT						
Office equipment	371,626	75,271	-	-	(113,088)	333,809
Renovation	294,275	24,506	-	(6,715)	(54,774)	257,292
Motor vehicles	334,687	-	-	-	(41,048)	293,639
Furniture, fittings and other equipment	275,437	10,782	(182,750)	(4,970)	(34,538)	63,961
Solar photovoltaic system	58,800	-	-	-	(12,600)	46,200
	1,334,825	110,559	(182,750)	(11,685)	(256,048)	994,901

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

7. PLANT AND EQUIPMENT (CONT'D)

	AT 1.1.2023 RM	ADDITIONS RM	DISPOSALS RM	DEPRECIATION CHARGES (Note 23) RM	AT 31.12.2023 RM
The Group					
2023					
CARRYING AMOUNT					
Office equipment	288,557	128,332	-	(45,263)	371,626
Renovation	333,409	14,085	-	(53,219)	294,275
Motor vehicles	47,008	313,630	(3,442)	(22,509)	334,687
Furniture, fittings and other equipment	69,164	215,920	-	(9,647)	275,437
Solar photovoltaic system	71,400	-	-	(12,600)	58,800
	809,538	671,967	(3,442)	(143,238)	1,334,825

	AT COST RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM
The Group			
AT 31.12.2024			
Office equipment	729,823	(396,014)	333,809
Renovation	586,834	(329,542)	257,292
Motor vehicles	445,431	(151,792)	293,639
Furniture, fittings and other equipment	117,243	(53,282)	63,961
Solar photovoltaic system	84,000	(37,800)	46,200
Total	1,963,331	(968,430)	994,901

	AT COST RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM
The Group			
AT 31.12.2023			
Office equipment	654,552	(282,926)	371,626
Renovation	574,356	(280,081)	294,275
Motor vehicles	445,431	(110,744)	334,687
Furniture, fittings and other equipment	318,861	(43,424)	275,437
Solar photovoltaic system	84,000	(25,200)	58,800
Total	2,077,200	(742,375)	1,334,825

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

8. RIGHT-OF-USE ASSETS

	AT 1.1.2024 RM	ADDITIONS RM	DEPRECIATION CHARGE (Note 23) RM	AT 31.12.2024 RM
The Group				
2024				
<i>CARRYING AMOUNT</i>				
Office	118,011	214,058	(119,982)	212,087

	AT 1.1.2023 RM	REASSESSMENT/ MODIFICATION OF LEASE LIABILITIES RM	DEPRECIATION CHARGE (Note 23) RM	AT 31.12.2023 RM
The Group				
2023				
<i>CARRYING AMOUNT</i>				
Office	93,905	56,269	(32,163)	118,011

- (a) The Group leases a number of offices of which the leasing activities are summarised below:-
- (i) Office The Group has leased a number of offices that run between 2 to 4 (2023 – 4) years, with an option to renew the lease after that date.
- (b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

9. INTANGIBLE ASSETS

	The Group	
	2024 RM	2023 RM
<i>Cost:-</i>		
At 1 January	1,988,530	1,182,907
Additions during the financial year	605,241	805,623
At 31 December	2,593,771	1,988,530
Included in additions during the financial year are:-		
Director's remuneration	269,725	367,500
Staff costs	335,516	438,123
	605,241	805,623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

9. INTANGIBLE ASSETS (CONT'D)

The intangible assets represent costs incurred on development projects for Business Analytic Tools, Retail Income Management Systems, cloud-based POS Software and Sub-let Rental Management System relating to design and development of new software products. Their amortisation charges are recognised in profit or loss once the products are launched to the market.

10. DEFERRED TAX (ASSETS)/LIABILITIES

	The Group	
	2024 RM	2023 RM
<i>Deferred Tax Liabilities</i>		
Plant and equipment	130,000	99,100
Intangible assets	622,000	477,000
Contract assets	-	62,000
	752,000	638,100
<i>Deferred Tax Assets</i>		
Impairment losses on trade receivables	(142,600)	(149,100)
Allowance for impairment losses on inventories	(4,000)	(8,100)
Deposit received from customers	(394,000)	(258,000)
Lease liabilities	(53,000)	(26,300)
Provision for bonus	(67,000)	-
	(660,600)	(441,500)
	91,400	196,600

For the purpose of presentation in the statements of financial positions, certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of the deferred tax balances for the financial reporting purposes:-

	The Group	
	2024 RM	2023 RM
Deferred tax assets	(149,000)	(66,000)
Deferred tax liabilities	240,400	262,600
	91,400	196,600

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

11. INVENTORIES

	The Group	
	2024 RM	2023 RM
Trading goods	217,234	188,634
Less: Allowance for impairment losses	(26,542)	(36,745)
	190,692	151,889

The amount of inventories recognised as an expense in cost of sales was RM7,966,575 (2023 – RM6,014,990).

12. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
Trade receivables	4,462,368	4,469,530
Allowance for impairment losses	(681,501)	(635,139)
	3,780,867	3,834,391
Allowance for impairment losses:-		
At 1 January	635,139	581,132
Addition during the financial year (Note 22)	237,625	67,971
Reversal during the financial year (Note 22)	(74,221)	(13,964)
Written off during the financial year	(117,042)	-
At 31 December	681,501	635,139

The Group's normal trade credit term is 90 (2023 – 90) days.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables:				
Third parties	1,108	120,746	-	22,261
Interest receivables	103,050	67,180	68,759	28,767
	104,158	187,926	68,759	51,028
Dividend receivable	-	-	-	3,000,000
Deposits	86,257	41,964	1,000	-
Deposit paid for the proposed acquisitions of companies (Note 32)	1,706,042	-	1,706,042	-
Prepayments	334,867	220,931	126,007	116,600
	2,231,324	450,821	1,901,808	3,167,628

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

14. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2024 RM	2023 RM
(a) Contract assets		
At 1 January	268,275	134,785
Transfer to trade receivables	(264,075)	(7,000)
Performance obligations performed	-	140,490
At 31 December	4,200	268,275

The contract assets primarily relate to the Group's right to consideration for work completed on contracts but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with the customers.

	The Group	
	2024 RM	2023 RM
(b) Contract liabilities		
At 1 January	1,369,338	494,584
Contract liabilities at the beginning of the financial year recognised as revenue	(1,308,312)	(494,584)
Advanced received for unfulfilled performance obligations	2,382,450	1,369,338
At 31 December	2,443,476	1,369,338

The contract liabilities primarily relate to advances received from customers. The amount will be recognised as revenue when the performance obligations are satisfied.

15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 3.15% to 4.05% (2023 – 3.00% to 4.00%) per annum and 3.80% to 4.05% (2023 – 3.00%) per annum respectively. The fixed deposits have maturity periods of 3 to 6 (2023 – 1 to 3) months and 3 to 6 (2023 – 1) months for the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

16. SHARE CAPITAL

(a) Share Capital

	The Group/The Company			
	2024	2023	2024	2023
	Number of Shares		RM	RM
Issued And Fully Paid-Up:				
Ordinary Shares				
At 1 January	671,187,000	200	22,172,766	5
Issuance of shares:				
- Acquisitions of subsidiaries	-	561,900,000	-	5,619,000
- Public issue	-	109,286,800	-	17,485,888
- Share issuance expenses	-	-	-	(932,127)
At 31 December	671,187,000	671,187,000	22,172,766	22,172,766

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company. The ordinary shares have no par value.

(b) Invested Capital

	The Group			
	2024	2023	2024	2023
	Number of Shares		RM	RM
Issued And Fully Paid-Up:				
Ordinary Shares				
At 1 January	-	380,000	-	380,000
Adjustment pursuant to the acquisitions of subsidiaries	-	(380,000)	-	(380,000)
At 31 December	-	-	-	-

Invested capital comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group prior to the acquisitions of subsidiaries. In the previous financial year, the amount has been reversed pursuant to the completion of the acquisitions of subsidiaries.

17. MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries exchanged under the merger accounting principles.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

18. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 January	122,128	96,217
Additions (Note 27(b))	214,058	-
Changes due to reassessment of lease term (Note 27(b))	-	56,269
Interest expense recognised in profit or loss (Note 23)	16,341	5,642
Repayment of principal	(114,659)	(30,358)
Repayment of interest expense	(16,341)	(5,642)
At 31 December	221,527	122,128
Analysed by:-		
Current liabilities	140,278	28,918
Non-current liabilities	81,249	93,210
	221,527	122,128

The leases of the Group at the end of the reporting period bore weighted average effective interest rate of 6.68% (2023 – 6.68%) per annum.

19. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2023 – 30 to 60) days.

20. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	50,243	52,461	17,474	-
Amount owing to a subsidiary	-	-	-	11,130
Accruals	3,284,339	2,775,796	179,667	162,500
Service tax payables	738,449	587,033	-	-
Provision for bonus	276,803	164,890	-	-
	4,349,834	3,580,180	197,141	173,630

The amount owing to a subsidiary represents payment on behalf. The amounts are repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

21. REVENUE

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from contracts from customers				
Recognised at a point in time				
Computer software, application software	12,675,654	9,630,814	-	-
Registration fee	339,904	414,500	-	-
Hardware	5,752,855	4,221,481	-	-
Training	39,976	235,738	-	-
Seminar	289,972	-	-	-
Others	41,670	1,927	-	-
	19,140,031	14,504,460	-	-
Recognised over time				
Maintenance fee and subscription fee	12,021,330	9,264,168	-	-
Revenue from other source				
Dividend income	-	-	4,000,000	3,000,000
	31,161,361	23,768,628	4,000,000	3,000,000

22. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2024	2023
	RM	RM
Impairment losses on trade receivables (Note 12)	237,625	67,971
Reversal of impairment losses on trade receivables (Note 12)	(74,221)	(13,964)
	163,404	54,007

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

23. PROFIT BEFORE TAXATION

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on inventories	2,379	36,745	-	-
Auditors' remuneration:				
- audit fees	95,000	83,000	28,000	25,000
- non-audit fees	5,000	48,000	5,000	8,000
Depreciation:				
- plant and equipment (Note 7)	256,048	143,238	-	-
- right-of-use assets (Note 8)	119,982	32,163	-	-
Intercompany interest expense	-	-	-	707
Interest expense on lease liabilities (Note 18)	16,341	5,642	-	-
Listing expenses	16,214	1,748,937	16,214	1,748,937
Loss on disposal of plant and equipment	-	2,842	-	-
Plant and equipment written off	11,685	-	-	-
Rental of motor vehicles	-	1,280	-	-
Rental of premises	82,800	79,408	-	-
Rental of signboard	2,000	2,000	-	-
Staff costs (including other key management personnel as disclosed in Note 28(c)):				
- short-term employee benefits	7,684,018	5,958,174	-	-
- defined contribution benefits	927,063	885,896	-	-
Gain on disposal of:				
- other investments	-	(35,625)	-	-
- plant and equipment	(65,250)	-	-	-
Interest income	(912,842)	(206,717)	(526,565)	(31,444)
Reversal of impairment losses on inventories	(12,582)	-	-	-

24. INCOME TAX EXPENSE

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax expense	3,051,000	1,968,000	116,000	7,500
Under/(Over) provision in the previous financial year	54,872	(15,912)	(391)	-
	3,105,872	1,952,088	115,609	7,500
Deferred tax:				
- origination and reversal of temporary differences	27,000	15,100	-	-
- (over)/under provision in the previous financial year	(132,591)	36,000	-	-
	(105,591)	51,100	115,609	7,500
Total income tax expense	3,000,281	2,003,188	115,609	7,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

24. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation	11,082,802	6,306,147	3,341,661	856,136
Tax at the statutory tax rate of 24%	2,659,872	1,513,476	801,999	205,473
Tax effects of:-				
Non-taxable income	-	-	(960,000)	(720,000)
Non-deductible expenses	418,128	623,000	274,001	522,027
Under/(Over) provision of current tax in the previous financial year	54,872	(15,912)	(391)	-
(Over)/Under provision of deferred taxation in the previous financial year	(132,591)	36,000	-	-
Effect of change in corporate income tax rate	-	(153,376)	-	-
	3,000,281	2,003,188	115,609	7,500

25. EARNINGS PER SHARE

	The Group	
	2024	2023
Profit after taxation attributable to owners of the Company (RM)	8,082,521	4,302,959
Weighted average number of ordinary shares in issue	671,187,000	572,978,588
Basic and diluted earnings per share (sen)	1.20	0.75

The basic earnings per share is calculated by dividing the consolidated profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The Company has not issued any dilutive potential ordinary share, hence, the diluted earnings per share is equal to the basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

26. DIVIDENDS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ordinary shares				
<u>Panda Eco</u>				
- A special interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2024	3,355,935	-	3,355,935	-
<u>Panda Software*</u>				
- Interim single tier dividend of RM7.84 per ordinary share in respect of the financial year ended 31 December 2023	-	784,000	-	-
<u>KK Computer*</u>				
- Interim single tier dividend of RM1.25 per ordinary share in respect of the financial year ended 31 December 2023	-	75,000	-	-
<u>Rexbridge*</u>				
- Interim single tier dividend of RM0.75 per ordinary share in respect of the financial year ended 31 December 2023	-	90,000	-	-
<u>020 Digital*</u>				
- Interim single tier dividend of RM0.51 per ordinary share in respect of the financial year ended 31 December 2023	-	51,000	-	-
	3,355,935	1,000,000	3,355,935	-

* The dividends were declared and paid to the owners of the abovementioned companies before the Company completed the acquisitions of the abovementioned subsidiaries.

At the forthcoming Annual General Meeting, a final single-tier dividend of RM0.0025 per ordinary share amounting to RM1,677,968 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

27. CASH FLOW INFORMATION

(a) The cash payment for dividend in respective financial year are as follow:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Dividend declared	3,355,935	1,000,000	3,355,935	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

27. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	The Group	
	2024 RM	2023 RM
Lease Liabilities		
At 1 January	122,128	96,217
<u>Changes in Financing Cash Flows</u>		
Repayment of principal	(114,659)	(30,358)
Repayment of interests	(16,341)	(5,642)
	(131,000)	(36,000)
<u>Other Changes</u>		
Addition of new leases (Note 18)	214,058	-
Changes due to reassessment of lease term (Note 18)	-	56,269
Interest expense recognised in profit or loss	16,341	5,642
	230,399	61,911
At 31 December	221,527	122,128

	The Company	
	2024 RM	2023 RM
Amount owing to a subsidiary		
At 1 January	11,130	-
<u>Changes in Financing Cash Flows</u>		
Advances from a subsidiary	-	11,130
Repayment of interests	-	(707)
Repayment to a subsidiary	(11,130)	-
	-	10,423
<u>Other Changes</u>		
Interest expense recognised in profit or loss	-	707
At 31 December	-	11,130

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2024 RM	2023 RM
Payment of low-value assets	2,000	2,000
Payment of short-term leases	82,800	80,688
Interest paid on lease liabilities	16,341	5,642
Payment of lease liabilities	114,659	30,358
	215,800	118,688

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

27. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the followings:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fixed deposits with licensed banks	23,345,746	23,959,074	15,050,000	14,000,000
Cash and bank balances	10,655,633	5,730,206	536,676	410,391
Less: Fixed deposits with tenure more than 3 months	(2,050,000)	-	(2,050,000)	-
	31,951,379	29,689,280	13,536,676	14,410,391

28. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

In addition to the information detailed elsewhere in the financial statements, the Group or the Company has related party relationships with its directors and entities indirectly owned by directors.

The Group has related party relationship with the following:-

- (i) ultimate holding company as disclosed in Note 2 to the financial statements;
- (ii) subsidiaries of the Company as disclosed in Note 6 to the financial statements;
- (iii) a company in which certain Directors have indirect financial interest – E-Tech IT Sdn. Bhd.;
- (iv) Directors of the Company – Loo Chee Wee and Tay Kheng Seng; and
- (v) Directors of the subsidiaries – Bong Kok Choo, Keow Yih Yun, Loo Siau Sun and Wong Khai Meng

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

28. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ultimate holding company				
Dividend paid	(2,336,099)	-	(2,336,099)	-
A subsidiary				
Interest expense	-	-	-	707
Dividend received/receivable	-	-	(4,000,000)	(3,000,000)
A company in which certain directors have financial interests				
Purchase of goods	911,943	1,738,519	-	-
Directors of the Company				
Lease expense paid/payable	55,200	55,200	-	-
Dividend paid/payable	-	916,525	-	-
Directors of the Subsidiaries				
Lease expense paid/payable	3,000	12,000	-	-
Dividend paid/payable	-	79,725	-	-

(c) Key management personnel compensation

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	264,167	141,500	264,167	121,500
- salaries, bonuses and other benefits	1,431,854	1,375,859	24,000	22,000
Defined contribution benefits	266,950	290,700	-	-
	1,962,971	1,808,059	288,167	143,500
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	690,456	578,202	-	-
Defined contribution benefits	82,073	77,400	-	-
	772,529	655,602	-	-
Total directors' remuneration	2,735,500	2,463,661	288,167	143,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

28. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel compensation (Cont'd)

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Other Key Management Personnel</u>				
Short-term employee benefits	392,683	354,367	-	-
Defined contribution benefits	48,073	40,764	-	-
Total compensation for other key management personnel	440,756	395,131	-	-

29. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the provision of services related to computer software and operates in Malaysia only.

There is no single customer that contributed 10% or more to the Group's revenue.

30. CAPITAL COMMITMENTS

	The Group/The Company	
	2024 RM	2023 RM
Capital commitment of proposed acquisitions of Gross Synergy Sdn. Bhd. and Day One Technology Sdn. Bhd.	15,354,382	-

31. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

31.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group and the Company do not have any interest-bearing borrowings and hence, are not exposed to interest rate risk.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, are not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by monitoring receivables regularly and by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

In previous financial year, the Group's major concentration of credit risk relates to the amounts owing by 2 customers which constituted approximately 25% of its trade receivables and contract assets, net of loss allowance. The Group does not have any significant credit risk related to any individual customer or counterparty at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group evaluates whether any of financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rate for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2023 – 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	NON-CREDIT IMPAIRED RM	CREDIT IMPAIRED RM	TOTAL RM
<u>Trade receivables</u>			
Balance at 1.1.2023	498,272	82,860	581,132
Additions	-	67,971	67,971
Reversals	(13,964)	-	(13,964)
Balance at 31.12.2023 / 1.1.2024	484,308	150,831	635,139
Additions	-	237,625	237,625
Reversals	(74,221)	-	(74,221)
Written off	-	(117,042)	(117,042)
Balance at 31.12.2024	410,087	271,414	681,501

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	GROSS AMOUNT RM	LIFETIME INDIVIDUAL ALLOWANCE RM	LIFETIME COLLECTIVE ALLOWANCE RM	CARRYING AMOUNT RM
2024				
Current (not past due)	3,949,488	-	(312,753)	3,636,735
1 to 30 days past due	178,198	-	(52,741)	125,457
31 to 60 days past due	30,436	-	(15,756)	14,680
61 to 90 days past due	32,832	-	(28,837)	3,995
Credit impaired	271,414	-	(271,414)	-
Trade receivables	4,462,368	-	(681,501)	3,780,867
Contract assets	4,200	-	-	4,200
	4,466,568	-	(681,501)	3,785,067
The Group				
2023				
Current (not past due)	3,964,251	(14,529)	(282,193)	3,667,529
1 to 30 days past due	210,134	(3,816)	(113,733)	92,585
31 to 60 days past due	110,575	(1,908)	(42,639)	66,028
61 to 90 days past due	33,739	(7,473)	(18,017)	8,249
Credit impaired	150,831	(48,632)	(102,199)	-
Trade receivables	4,469,530	(76,358)	(558,781)	3,834,391
Contract assets	268,275	-	-	268,275
	4,737,805	(76,358)	(558,781)	4,102,666

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancement.

Trade debtors that are collectively determined to be impaired relate to expected credit losses measured based on Group's observed default rates.

There has not been any significant changes in the gross amount of trade receivables that impacted the allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to be repaid during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider these licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

(c) Liquidity Risk

The Group and the Company maintains sufficient cash balances to support its daily operations.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
The Group						
2024						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Lease liabilities	6.68	221,527	235,000	150,000	85,000	-
Trade payables	-	740,805	740,805	740,805	-	-
Other payables and accruals	-	3,334,582	3,334,582	3,334,582	-	-
		4,296,914	4,310,387	4,225,387	85,000	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
2023						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	6.68	122,128	138,000	36,000	102,000	-
Trade payables	-	766,260	766,260	766,260	-	-
Other payables and accruals	-	2,828,257	2,828,257	2,828,257	-	-
		3,716,645	3,732,517	3,630,517	102,000	-

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	197,141	197,141	197,141

The Company

2023

<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	173,630	173,630	173,630

31.2 CAPITAL RISK MANAGEMENT

Capital structure is a combination of equity and debt used by an entity to finance its overall operations and growth. The objective of the capital management of the Group and of the Company is to maintain an optimal capital structure and ensuring availability of funds in order to support its businesses and related shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manages its capital based on debt-to-equity ratio. As the Group and the Company has no borrowings, the debt-to-equity ratio may not provide a meaningful indicator of the risk of borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Asset				
<u>Amortised Cost</u>				
Trade receivables	3,780,867	3,834,391	-	-
Other receivables	104,158	187,926	68,759	3,051,028
Fixed deposits with licensed banks	23,345,746	23,959,074	15,050,000	14,000,000
Cash and bank balances	10,655,633	5,730,206	536,676	410,391
	37,886,404	33,711,597	15,655,435	17,461,419
Financial Liabilities				
<u>Amortised Cost</u>				
Lease liabilities	221,527	122,128	-	-
Trade payables	740,805	766,260	-	-
Other payables and accruals	3,334,582	2,828,257	197,141	173,630
	4,296,914	3,716,645	197,141	173,630

31.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	-	35,625	-	-
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	749,438	152,710	526,565	31,444
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(16,341)	(5,642)	-	(707)

31.5 FAIR VALUE INFORMATION

As the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 28 November 2024, the Company entered into a conditional share sale agreement with Yeow Cheng Hock, Ho Soo Cherng, Ding Chew Keat and Cheok Kian Hing (collectively referred as "Vendors") to acquire their interests in the following companies ("Proposed Acquisitions"):-

- (i) Acquisition of the entire equity interest in Gross Synergy Sdn. Bhd. ("GSSB") of 100,000 ordinary shares in GSSB from the Vendors; and
- (ii) Acquisition of the entire equity interest in Day One Technology Sdn. Bhd. ("DOTSB") of 50,000 ordinary shares in DOTSB from the Vendors;

for a total purchase consideration of RM17,060,424 which will be satisfied via a combination of:

- (i) Cash of RM11,089,276; and
- (ii) RM5,971,148 via the issuance of 19,462,674 new ordinary shares in the Company at an issue price of RM0.3068 per share.

On 9 April 2025, Bursa has approved the Proposed Acquisitions subject to certain conditions including obtaining shareholders' approval. The Company will seek its shareholders' approval at the forthcoming Extraordinary General Meetings to be convened.

33. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 2 January 2025, the Company acquired a 51% equity interest in Centra Solutions Sdn. Bhd. ("CSSB"), comprising 51 ordinary shares out of 100 ordinary shares, for a cash consideration of RM51. Consequently, CSSB became a subsidiary of the Company. On 13 January 2025, the Company increased its investment in CSSB from RM51 to RM102,000 when CSSB increased its total paid up share capital to RM200,000.

ANALYSIS OF SHAREHOLDINGS

AS AT 26 MARCH 2025

Issued and Paid-Up Share Capital	:	RM23,104,893.00
Number of Issued Shares	:	671,187,000 ordinary shares
Class of Shares	:	Ordinary Shares
Number of Shareholders	:	3,141
Voting Rights	:	One (1) vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 26 MARCH 2025

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	0	0	0	0.00
100 – 1,000	329	10.48	164,500	0.02
1,001 – 10,000	1,211	38.56	7,682,200	1.14
10,001 – 100,000	1,298	41.32	48,483,900	7.23
100,001 – 33,559,349*	302	9.61	149,136,600	22.22
33,559,350 and above**	1	0.03	465,719,800	69.39
TOTAL	3,141	100.00	671,187,000	100.00

Notes:-

* Less than 5% of the issued shares.

** 5% and above of the issued shares.

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 26 MARCH 2025

Name of Directors	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
Loo Chee Wee	-	-	465,719,800 ⁽¹⁾	69.39
Tay Kheng Seng	-	-	476,717,200 ⁽²⁾	71.03
Chan Kam Chiew	200,000	0.03	-	-
Dato' Leanne Koh Li Ann	200,000	0.03	-	-
Siew Suet Wei	200,000	0.03	-	-

Note:-

¹ Deemed interested by virtue of his shareholdings in Goldcoin Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 ("the Act").

² Deemed interested by virtue of his shareholdings in Goldcoin Capital Sdn. Bhd. pursuant to Section 8 of the Act and the shareholdings of his spouse pursuant to Section 59(11) of the Act.

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 26 MARCH 2025

Name of Substantial Shareholders	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
Goldcoin Capital Sdn. Bhd.	465,719,800	69.39	-	-
Loo Chee Wee	-	-	465,719,800	69.39
Tay Kheng Seng	-	-	476,717,200	71.03

Note:-

¹ Deemed interested by virtue of his shareholdings in Goldcoin Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 ("the Act").

² Deemed interested by virtue of his shareholdings in Goldcoin Capital Sdn. Bhd. pursuant to Section 8 of the Act and the shareholdings of his spouse pursuant to Section 59(11) of the Act.

ANALYSIS OF SHAREHOLDINGS

AS AT 26 MARCH 2025 (CONT'D)

THIRTY (30) LARGEST SHAREHOLDERS AS AT 26 MARCH 2025

No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	GOLDCOIN CAPITAL SDN. BHD.	465,719,800	69.39
2.	BONG KOK CHOO	10,997,400	1.64
3.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM PANG KIAM	8,867,500	1.32
4.	LOO SIAU SUN	7,685,000	1.14
5.	KEOW YIH YUN	6,440,000	0.96
6.	WONG KHAI MENG	5,343,000	0.80
7.	NG KWEE WAH	4,080,500	0.61
8.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB ISLAMIC TRUSTEE BERHAD FOR PMB SHARIAH EQUITY FUND	4,063,500	0.61
9.	AMANAHRAYA TRUSTEES BERHAD PMB DANA AL-AIMAN	3,500,000	0.52
10.	OW PEI WEN	2,768,800	0.42
11.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH THIAN TECK	2,294,400	0.34
12.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ADRIAN LIM KENG YEAN	1,710,100	0.25
13.	TAY LI LI	1,605,000	0.24
14.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG TECK WEI	1,600,000	0.24
15.	NEO YU LIAN	1,450,000	0.22
16.	ENG HUAT LATEX CONCENTRATE SDN. BHD.	1,398,100	0.21
17.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO LAY BAN (MY3458)	1,350,000	0.20
18.	LAU MIN WEI	1,219,000	0.18
19.	TOH SENG HON	1,200,000	0.18
20.	LAI TING YEW	1,195,100	0.18
21.	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH INDEX FUND	1,100,000	0.16
22.	GAN JINN KEONG	1,100,000	0.16
23.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR CHUA KHIAN YONG	1,100,000	0.16
24.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH YUKE CHUAN	1,000,000	0.15
25.	NG KIM KIAT	949,100	0.14
26.	YONG PIK MING	932,000	0.14
27.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH THIAN TECK (MF00527)	900,000	0.13
28.	YEW FONG LIN	866,200	0.13
29.	LAU SEE MANG	835,000	0.12
30.	CHUA BENG WAH	800,000	0.12
	TOTAL	544,069,500	81.06

NOTICE OF THE THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting (“**3rd AGM**”) of the Company will be held at Ames Hotel Melaka, Jalan PKAK 2, Pusat Komersial Ayer Keroh, 75450 Ayer Keroh, Melaka on Monday, 26 May 2025 at 10:00 a.m. to transact the following business:

AGENDA

Ordinary Business

- | | | |
|----|---|---------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | Please refer to
Note B |
| 2. | To approve a final single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024. | Ordinary
Resolution 1 |
| 3. | To approve the payment of Directors' Fees and Benefits Payable to the Non-Executive Directors of up to RM425,000 for the period from 27 May 2025 until the date of the next Annual General Meeting of the Company to be held in 2026. | Ordinary
Resolution 2 |
| 4. | To re-elect the following Directors, who are retiring under Clause 95.1 of the Constitution of the Company and being eligible, offer themselves for re-election: - | |
| | (a) Mr. Chan Kam Chiew | Ordinary
Resolution 3 |
| | (b) Dato' Leanne Koh Li Ann | Ordinary
Resolution 4 |
| 5. | To re-appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. | Ordinary
Resolution 5 |

Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

- | | | |
|----|---|--------------------------|
| 6. | Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“The Act”) | Ordinary
Resolution 6 |
| | <p>“THAT pursuant to Sections 75 and 76 of the Act, and the Directors of the Company be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.</p> <p>AND FURTHER THAT the Board whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate.”</p> | |

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

Special Business (CONT'D)

To consider and, if thought fit, to pass the following resolutions, with or without modifications: (Cont'd)

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")** Ordinary Resolution 7
- "**THAT** pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiary(ies) ("**Group**") to enter into and give effect to the existing recurrent related party transactions of a revenue or trading nature particulars from time to time with the related parties as specified in Section 2.7 of the Circular to Shareholders dated 25 April 2025, provided that:
- (a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;
 - (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
 - (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- THAT** such authority shall continue to be in force until:
- (a) the conclusion of the next Annual General Meeting ("**AGM**"), unless the authority is renewed by a resolution passed at the next AGM; or
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,
- whichever is the earlier.
- AND THAT** the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate."
8. **Proposed Amendments to the Constitution of the Company ("Proposed Amendments")** Special Resolution
- "**THAT** the Proposed Amendments as set out in "Appendix A" be and is hereby approved and adopted.
- AND THAT** the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Amendments with full power to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by the relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Amendments."

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

Special Business (CONT'D)

To consider and, if thought fit, to pass the following resolutions, with or without modifications: (Cont'd)

9. To transact any other business for which due notice has been given in accordance with the Constitution of the Company.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the 3rd AGM, a final single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024 will be payable on 26 June 2025 to holders of ordinary shares registered in the Record of Depositors at the close of business on 11 June 2025. A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account on or before 4.30 p.m. on 11 June 2025 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

LIM LI HEONG (MAICSA 7054716) (SSM Practising Certificate No. 202008001981)
WONG MEE KIAT (MAICSA 7058813) (SSM Practising Certificate No. 202008001958)

Company Secretaries

Kuala Lumpur
25 April 2025

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

Notes:-

A. Proxy

1. A proxy may but need not be a member of the Company.
2. To be valid, this form, duly completed must be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South. No.8, Jalan Kerinchi, 59200 Wilayah Persekutuan Kuala Lumpur, Malaysia not less than 24 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the proxy form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy/proxies have been duly completed by the member(s).
3. A member may appoint up to two (2) proxies to attend and vote at the meeting. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an Authorised Nominee as defined under the Security Industry Central Depositories Act 1991 ("Authorised Nominee"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
6. If the appointor is a corporation, the Proxy Form must be signed by the appointor and executed under its common seal or under the hand of an attorney duly authorised.
7. Only depositors whose names appear in the Record of Depositors as at 19 May 2025 shall be entitled to attend the 3rd AGM.

B. Audited Financial Statements

Item 1 of the Agenda is meant for discussion only in accordance with Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

Explanatory Notes on Special Business

C. Item 2 – Approval of a final single tier dividend of 0.25 sen

Pursuant to Sections 131 and 132 of the Act, the Company may only make a distribution to the shareholders out of the profits available if the Company is solvent. Having performed the solvency test on the Company, the Board is satisfied that the Company will remain solvent for a period of 12 months immediately after the distribution.

D. Item 3 - Payment of Directors' Fees and Benefits Payable

Shareholders' approval is sought at this AGM for the payment of Directors' Fees and Benefits Payable to the Non-Executive Directors of the Company of up to an amount of RM425,000 for the period commencing from 27 May 2025 until the next AGM of the Company to be held in 2026. The Directors' Fees and Benefits Payable consist of Directors' Fee paid monthly for duties performed as Directors and attendance allowance for Board, Board Committee and general meetings attended.

The total amount of RM425,000 is estimated based on the current Board size and the estimated number of scheduled and additional unscheduled Board, Board Committees and general meetings to be held.

E. Item 4 - Re-election of Directors

Mr. Chan Kam Chiew and Dato' Leanne Koh Li Ann are retiring by rotation pursuant to Clause 95.1 of the Constitution of the Company and are standing for re-election at this AGM. Their profiles are provided in the Directors' Profile as disclosed on pages 14 to 15 of the Annual Report 2024.

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

Notes:- (Cont'd)

Explanatory Notes on Special Business (Cont'd)

E. Item 4 - Re-election of Directors (Cont'd)

In recommending their re-election, the Nomination Committee ("NC") of the Company had assessed the contribution and the fit and proper criteria of the respective Directors. The Board had endorsed the NC's recommendation that Mr. Chan Kam Chiew and Dato' Leanne Koh Li Ann be re-elected as Directors of the Company.

F. Item 6 – Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 6 proposed under Item 6 above, if passed, will give the Board flexibility to allot and issue new shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Board in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The Board is of the opinion that the issue and allot shares up to an amount not exceeding ten per centum (10%) is in the best interest of the Company.

The general mandate sought for issue of shares is a new mandate. This authority will expire at the conclusion of the next AGM of the Company or at the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

As at the date of this Notice, no new shares were issued pursuant to the general mandate granted to the Directors of the Company at the last AGM held on 19 June 2024, which will lapse at the conclusion of the 3rd AGM to be held on 26 May 2025.

G. Item 7 – Proposed Renewal of Shareholders' Mandate

The proposed Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 25 April 2025.

H. Item 8 – Proposed Amendments to the Constitution of the Company

The Proposed Amendments to the Constitution of the Company is primarily to provide further clarify on certain terms of the Constitution and provide more flexibility for the Company and to ensure the compliance with the Act. The Proposed Amendments to be made to the Constitution are listed as per Appendix A, which is circulated together with the Notice of 3rd AGM dated 25 April 2025.

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

Details of the Proposed Amendments to the Constitution

The existing Constitution of the Company is proposed to be amended by the relevant additions and deletions as specifically set out below: -

Clause No.	Existing Clauses	Clause No.	Proposed Clauses
7.	Authority of Directors to allot shares Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution and the Act and the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:-	7.	Authority of Directors to allot shares Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution, the Act, the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:-
7.4	in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the issue price;	7.4	in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per cent (5%) of the issue price;
42.	Transfer of securities The transfer of any Listed Security or class of Listed Security in the Company shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Security.	42.	Transfer of securities The transfer of any Listed Security or class of Listed Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Security.

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (CONT'D)

Details of the Proposed Amendments to the Constitution (Cont'd)

The existing Constitution of the Company is proposed to be amended by the relevant additions and deletions as specifically set out below: - (Cont'd)

Clause No.	Existing Clauses	Clause No.	Proposed Clauses
52.	<p>Issue of new shares to existing Members</p> <p>In accordance with paragraph 7.08 of the Listing Requirements, subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.</p> <p>he offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the company. The directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this Constitution. For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply.</p>	52.	<p>Issue of new shares to existing Members</p> <p>Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.</p> <p>The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the company. The directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this Constitution. For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply.</p>

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (CONT'D)

Details of the Proposed Amendments to the Constitution (Cont'd)

The existing Constitution of the Company is proposed to be amended by the relevant additions and deletions as specifically set out below: - (Cont'd)

Clause No.	Existing Clauses	Clause No.	Proposed Clauses
55.	Annual General Meeting The Company shall hold an annual general meeting in every calendar year in addition to any other meetings held during that period. The annual general meeting shall be held within six (6) Month s from the Company's financial year end and not more than fifteen (15) Months after the last preceding annual general meeting.	55.	Annual General Meeting The Company shall hold an annual general meeting in every calendar year in addition to any other meetings held during that period. The annual general meeting shall be held within six (6) months from the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting.
70.	Chairman of general meeting The Chairman of the Board, shall preside as Chairman at every general meeting, but if no such Chairman is present within 15 minutes after the time appointed for holding the meeting, or shall decline to take or shall retire from the chair, the Directors present shall choose one of their number to act as Chairman of such meeting, and if there be no Director chosen who shall be willing to act, the Members present in person or by proxy and entitled to vote shall choose one of their own number to act as Chairman at such meeting.	70.	Chairman of general meeting The Chairman of the Board, shall preside as Chairman at every general meeting, but if no such Chairman is present within fifteen (15) minutes after the time appointed for holding the meeting, or shall decline to take or shall retire from the chair, the Directors present shall choose one of their number to act as Chairman of such meeting, and if there be no Director chosen who shall be willing to act, the Members present in person or by proxy and entitled to vote shall choose one of their own number to act as Chairman at such meeting.
95.1	Rotation and retirement of Directors An election of Directors shall take place each year at the annual general meeting of the Company where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires	95.1	Rotation and retirement of Directors An election of Directors shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires
149.	Payment of Dividends The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.	149.	Distribution of Dividends The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities.

NOTICE OF THE THIRD ANNUAL GENERAL MEETING (CONT'D)

STATEMENT ACCOMPANYING THE NOTICE OF AGM

1. The Directors who are standing for re-election at the 3rd AGM of the Company pursuant to Clause 95.1 of the Company's Constitution are:

- (i) Mr. Chan Kam Chiew
- (ii) Dato' Leanne Koh Li Ann

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (i) *consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) *warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

PROXY FORM



PANDA ECO SYSTEM BERHAD

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

CDS Account No.	
No. of Shares Held	
Telephone No.	
Email Address	

*I/We _____ *NRIC No. / Passport No. / Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a *member / members of PANDA ECO SYSTEM BERHAD ("the Company"), hereby appoint :

Name of Proxy	NRIC No. / Passport No.	Address	Proportion of Shareholdings (%)
1.			
2.			

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Third Annual General Meeting (3rd AGM") of the Company to be held at Ames Hotel Melaka, Jalan PKAK 2, Pusat Komersial Ayer Keroh, 75450 Ayer Keroh, Melaka on Monday, 26 May 2025 at 10:00 a.m. or at any adjournment thereof and to vote as indicated below:

		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
Resolution 1	To approve of a final single tier dividend of 0.25 sen per ordinary share				
Resolution 2	To approve the payment of Directors' Fees and Benefits to the Non-Executive Directors of up to RM425,000 for the period from 27 May 2025 until the date of the next Annual General Meeting of the Company to be held in 2026				
Resolution 3	Re-election of Mr. Chan Kam Chiew				
Resolution 4	Re-election of Dato' Leanne Koh Li Ann				
Resolution 5	Re-appointment of Messrs. Crowe Malaysia PLT as the Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration				
Resolution 6	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016				
Resolution 7	Proposed Renewal of Shareholders' Mandate				
Special Resolution	Proposed Amendments to the Constitution of the Company				

(Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast in respect of the above resolutions. If no instruction as to voting is given, the proxy may vote or abstain from voting at his/her discretion).

*Strike out whichever is not desired.

Dated this ____ day of _____ 2025

Signature / Common Seal of Member

Fold this flap for sealing

Notes:

1. A proxy may but need not be a member of the Company.
2. To be valid, this form, duly completed must be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 24 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy/proxies have been duly completed by the member(s).
3. A member may appoint up to two (2) proxies to attend and vote at the meeting. Where a member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member of the Company is an Authorised Nominee as defined under the Security Industry Central Depositories Act 1991 ("Authorised Nominee"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
6. If the appointor is a corporation, the Proxy Form must be signed by the appointor and executed under its common seal or under the hand of an attorney duly authorised.
7. Only depositors whose names appear in the Record of Depositors as at 19 May 2025 shall be entitled to attend the 3rd AGM.

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AFFIX
STAMP

PANDA ECO SYSTEM BERHAD
Registration No. 202201028635 (1474332-M)

Share Registrar Office
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

1st fold here



PANDA ECO SYSTEM BERHAD

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

📍 No 28, 28-1, 30, 30-1, 32-1 and 34-1
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75250 Melaka, Malaysia

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✉ enquiry@pandasoftware.my

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