

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.2 INTANGIBLE ASSETS (CONT'D)**

**a) Research and development**

Research expenditure is recognised as an expense when incurred. Cost incurred on development projects (relating to design and testing new or improved products) are recognised as intangible assets when the following criteria are fulfilled:-

- i) it is technical feasible to complete the intangible assets so that it will be available for use or sale;
- ii) management intends to complete the intangible asset and use or sell it;
- iii) there is an ability to use or sell the intangible asset;
- iv) it can be demonstrated how the intangible will generate probable future economic benefits;
- v) adequate technical, financial and other resource to complete the development and to use or sell the intangible asset are available; and

**a) Computer Software**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- i) it is technically feasible to complete the software product so that it will be available for use;
- ii) management intends to complete the software product and use or sell it;
- iii) there is an ability to use or sell the software product;
- iv) it can be demonstrated how the software product will generate probable future economic benefits;
- v) adequate technical, financial and other resource to complete the development and to use or to sell the software product are available; and
- vi) the expenditure attributable to the software product during its development can be reliably measured;

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet the criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development recognised assets are amortised from the point at which the asset is ready for use over their estimated useful lives, which does not exceed 3 years.

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.3 FINANCIAL ASSETS**

Financial assets are recognised in the statement of the financial position when the Company become a party to the contractual provisions of the instruments.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of these three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

i) ***Financial Assets At Fair Value Through Profit Or Loss***

Financial assets are classified as at fair value through profit or loss when financial assets are within the scope of section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Change in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measured is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

ii) ***Financial Assets That Are Debt Instruments Measured At Amortised Cost***

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of financial assets

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.3 FINANCIAL ASSETS (Cont'd)**

*ii) Financial Assets That Are Equity Instruments Measured At Cost Less Impairment*

Equity instrument that not publicly traded and whose fair value cannot be otherwise be measured reliably with undue cost or effort, and contracts linked to such instruments, if exercise, will result in delivery of such instrument, are measured at cost less impairment.

*iii) Impairment of Financial Assets*

At the end of each reporting period, the Company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost are impaired.

Objective evidence could include:-

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exist for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.3 FINANCIAL ASSETS (Cont'd)**

iv) ***Impairment of Financial Assets (cont'd)***

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the assets' carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

The carrying amount of the financial assets are reduced directly, except for the carrying amount of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately.

If, in subsequent period, the amount of an important loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

v) ***De-recognition Of Financial Assets***

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Company transfers to another party substantially all of the risks and rewards of the ownership of the financial assets.

On de-recognition of financial assets in their entirety, the difference between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in the profit or loss in the period of transfer.

**3.4 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.



Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.5 LIABILITIES AND EQUITY**

**3.5.1 Classification Of Liabilities And Equity**

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

**3.5.2 Equity Instruments**

Ordinary shares are classified as equity. Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The Company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

**3.6 FINANCIAL LIABILITIES**

Financial liabilities are recognised in the statement of position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Company to the arrangement

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at cost, or loan commitments measured at cost less impairment.

**i) Financial Liabilities Measured At Fair Value Through Profit Or Loss**

Financial liabilities are classified at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.6 FINANCIAL LIABILITIES (CONT'D)**

**ii) *Financial Liabilities Measured At Fair Value Through Profit Or Loss***

Financial liabilities are classified at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost less impairment until a reliable measure of fair value becomes available.

**ii) *Financial Liabilities Measured At Amortised Cost***

After initial recognition, financial liabilities other than at fair value through profit or loss are measured at amortised cost using the effective interest method. Gain or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

**iii) *Loan Commitments Measured At Cost Less Impairment***

Commitment to receive loan that meet the conditions of Section 11 of MPERS are measured at cost less impairment.

**iv) *De-recognition Of Financial Liabilities***

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

**3.7 INCOME TAX**

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.7 INCOME TAX (CONT'D)**

Tax payable on taxable profit for current and past years is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past years exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

**3.8 PROVISIONS**

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that a transfer of economic benefits will be required in settlement, and when a reliable estimate of the obligation can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.



Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.9 FINANCIAL INSTRUMENTS**

**(a) Initial recognition and measurement**

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

**(b) Subsequent measurement of financial assets**

After initial recognition measurement, the Company measures its financial assets which are debt instruments at amortised cost using the effective interest method.

All financial assets (other than financial asset measured at fair value through profit or loss) are subject to review for impairment in accordance with impairment and uncollectibility of financial assets.

**(c) Subsequent measurement of financial liabilities**

After initial recognition, the Company measures its financial liabilities at amortised cost using the effective interest method.

**(d) Recognition of gains and losses**

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or liability is derecognised or impaired, and through the amortisation process of the instrument.

**(e) Impairment of financial assets**

At the end of each reporting period, financial assets that are measured at cost or amortised cost are assessed as whether there is objective evidence of impairment. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.



Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.9 FINANCIAL INSTRUMENTS**

**(e) Impairment of financial assets (cont'd)**

For a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in profit or loss.

**(f) Derecognition of financial instruments**

For derecognition purposes, the Company first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

**3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS**

The carrying amounts of non-financial assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are charged to profit or loss.

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)**

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals are recognised in the profit or loss.

**3.11 TRADE RECEIVABLES**

Trade receivables are recognised initially at the transaction prices. They are subsequently measured at the undiscounted amount of cash expected to be received, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

**3.12 INVENTORIES**

Inventories are stated at the lower of cost and estimated selling price less costs to complete the sale.

The cost comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of conversion includes costs directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

At each reporting date, Inventories are assessed for impairment. If the inventory is impaired, the carrying amount is reduced to its selling price less costs to complete the sale; the impairment loss is recognized immediately in the statement of comprehensive income. When the impairment indicators no longer exist, the impairment loss is reversed and a new carrying amount is the lower of the cost and the revised selling price less costs to complete the sale.

**3.13 SHARE CAPITAL**

Ordinary shares issued that carry no put option and no mandatory contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company are classified as equity instruments.

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.14 STATEMENTS OF CASH FLOWS**

The Company adopts the indirect method in the preparation of the statement of cash flows.

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

**3.15 TRADE PAYABLES**

Trade payables are recognised initially at the transaction prices, and subsequently measured at the undiscounted amount of cash expected to be paid.

**3.16 REVENUE RECOGNITION**

***SALES OF GOODS AND SERVICES***

Revenue from sales of goods is recognized when the significant risks and rewards of the ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of goods and services taxes, rebates and discounts and amounts collected on behalf of third parties.

Revenue from services rendered is recognized in accordance to the terms of arrangements and is measured at the fair value of consideration received or receivable.

**3.17 EMPLOYEES BENEFITS**

***3.17.1 Short-Term Employment Benefits***

Short-term employment benefits, such as wages, salaries and other benefits (including bonuses, sick leave and non-monetary benefits) that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services rendered up to the end of the reporting period. And these benefits are measured at the amounts expected to be paid when the liabilities are settled.

***3.17.2 Defined Contribution Plan***

Contributions payable to the defined plan is recognised as a liability and an expense when the employees have rendered services to the Company.

**3.18 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions on the reported amounts of revenue, expenses, assets and liabilities, and the disclosures of contingent liabilities at the reporting date.



Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.18 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

The Company makes estimates and assumptions concerning the future; that rarely equal the related actual results.

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial years are outlined below:

Current and deferred taxes

The Company is subject to income tax whereby significant judgement is required in determining the capital allowances and deductibility of certain expenses during estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the course of ordinary business.

The Company recognises liabilities for tax matter based on estimates of whether additional taxes will be due. If the final outcome of these tax matters is different from the amounts that were initially recognised, such difference will impact the current tax and/or deferred tax provisions in the financial period in which such determination is made.

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against unutilised tax losses and deductible temporary differences can be utilised. This involves judgement regarding the future financial performance of the Company in which the deferred tax asset has been recognised.

Classification of non-current bank borrowings

Term loans, finance leases and hire purchase arrangements entered into by the Company include repayment on demand clauses at the discretion of financial institutions. The Company believes that in the absence of a default being committed by the Company, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of term loans, finance leases and hire purchase obligations have been classified between current and non-current liabilities based on their repayment period.

Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives determined by the management; which ranges from 1 to 13 years which are the common life expectancy of these assets. Changes in the expected level of usage and technological developments could have an impact on the economic useful lives and residual values of these assets and therefore may require revision in depreciation charges in the future.



**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****4 PROPERTY, PLANT AND EQUIPMENT**

	As at 1/1/2023 RM	Additions RM	Disposals RM	As at 31/12/2023 RM
<b>Cost</b>				
Computer	29,207	8,464	-	37,671
Office equipment	4,366	-	-	4,366
Workstation facilities	134,494	-	-	134,494
Air-conditioner	6,850	-	-	6,850
Furniture and fittings	11,867	-	-	11,867
	<u>186,784</u>	<u>8,464</u>	<u>-</u>	<u>195,248</u>

	As at 1/1/2023 RM	Additions RM	Disposals RM	As at 31/12/2023 RM
<b>Accumulated Depreciation</b>				
Computer	20,421	9,691	-	30,112
Office equipment	1,139	404	-	1,543
Workstation facilities	13,449	13,450	-	26,899
Air-conditioner	1,370	685	-	2,055
Furniture and fittings	2,658	1,098	-	3,756
	<u>39,037</u>	<u>25,328</u>	<u>-</u>	<u>64,365</u>

<b>Carrying Amount</b>	<b>2023 RM</b>	<b>2022 RM</b>
Computer	7,559	8,786
Office equipment	2,823	3,227
Workstation facilities	107,595	121,045
Air-conditioner	4,795	5,480
Furniture and fittings	8,111	9,209
	<u>130,883</u>	<u>147,747</u>

**5 TRADE RECEIVABLES**

The Company currently allows a trade credit term of between 30 days to 90 days to all its customers.

**6 SHARE CAPITAL**

	<b>NUMBER OF SHARES</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Issued and fully paid Ordinary Shares</b>	<b>Units</b>	<b>Units</b>	<b>RM</b>	<b>RM</b>
At beginning of the year	1,000	1,000	1,000	1,000
Increase during the period	49,000	-	49,000	-
At end of the period	<u>50,000</u>	<u>1,000</u>	<u>50,000</u>	<u>1,000</u>

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****7 TRADE PAYABLES**

The Company enjoys trade credit terms of between 30 to 90 days from its goods and service suppliers. Included in trade payables is RM 499,249 (2022: RM 25,610) due from a company which directors of the Company has financial interest.

**8 OTHER PAYABLES AND ACCRUED LIABILITIES**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Other payables	36,859	120,732
Accrued liabilities	43,145	42,750
	<u>80,004</u>	<u>163,482</u>

**9 REVENUE**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Sales of good and services	<u>4,892,177</u>	<u>1,164,654</u>

**10 PROFIT BEFORE TAX**

<b>10.1 DISCLOSURE ITEMS</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Profit from operations is stated after charging:		
Auditor' remuneration		
- Current year provision	3,500	2,500
Depreciation of property, plant and equipment	25,328	25,203
EPF, EIS and Socso Contributions	98,616	85,958
Management fees	48,000	48,000
Rental of premises	42,000	42,000
Salaries, overtime, allowance and bonus (Including those attributable to Directors)	<u>697,233</u>	<u>697,186</u>

**10.2 KEY MANAGEMENT PERSONNEL COMPENSATION**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Directors' EPF, EIS & Socso contributions	22,888	16,639
Directors Remuneration	164,250	63,000
Directors' Fees	<u>-</u>	<u>80,000</u>

---

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

---

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. BORROWINGS**

During the period under review, the Company had accepted and secured a fixed loan/HTG (PGGS) of RM 200,000.00 for working purposes for a tenure of 84 months @ a fixed rate of 4.00 % p.a.; with a repayable monthly instalment of RM 2,740.00 with an adjustment in the last instalment. The loan facility has been secured in the following manner:-

- 80% guaranteed by the Government of Malaysia under Bank Negara Malaysia's Fund for Small & Medium Enterprise – High Tech & Green Facility (HTG);
- Guarantees as follows:
  - i) Joint & several guarantees by all directors of the Company;
  - ii) Corporate guarantee by the Company's holding Company and sister Company respectively - Day One Solutions Sdn. Bhd. and Gross Synergy Sdn. Bhd.

As of the end of period under review the Company's obligation under borrowings are as follows:-

<b>Current</b>	<b><u>2023</u></b>
Secured – borrowings	25,905
<b>Non-Current</b>	
Secured – borrowings	158,093
	<u>183,998</u>
Repayable as follows:-	
Not later than one (1) year	32,880
Later than one (1) year but not than 2 years	32,880
Later than two (2) years but not later than 7 years	142,984
	<u>208,744</u>
Less: Future interest charges	24,746
	<u>183,998</u>
Present Value of financial obligation	<u>183,998</u>
Payable within one (1) year	25,905
Payable after more than one (1) year	158,093
	<u>183,998</u>

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

Company No.: 201301037399 (1067228-W)

DAY ONE TECHNOLOGY SDN. BHD.  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****12. INCOME TAX EXPENSE**

	2023 RM	2022 RM
Current Tax Expense		
Current Year	120,057	1,331
Total income tax expense	120,057	1,331

The income expense is reconciled to the accounting profit at the applicable tax rate as follows:

	2023 RM	2022 RM
Profit before tax	669,240	34,882
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	160,618	8,372
Tax effect of :-		
Tax benefit effect as SME @ 17% (2022: 17%)	(45,000)	(2,442)
Non-deductible expenses	6,948	4,361
Utilisation of capital allowances	(2,509)	(8,960)
Total income tax expense	120,057	1,331

**13. FINANCIAL INSTRUMENTS**

	2023 RM	2022 RM
Categories of financial instruments are as follows:-		
<b><u>Financial assets as costs and amortised costs</u></b>		
Trade receivables	1,834,006	272,897
Cash and bank balances	298,852	123,318
<b>Total financial assets</b>	2,132,858	396,215
<b><u>Financial liabilities as costs and amortised costs</u></b>		
Trade payables	1,039,222	25,610
Other payables and accrued liabilities	80,004	163,482
	1,119,226	199,688



---

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

---

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. RELATED PARTY TRANSACTION**

During the year under review, transactions with companies which directors have financial interest are as follows:-

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Sales:		
Gross Synergy Sdn. Bhd.	<u>130,429</u>	<u>114,612</u>
Cost of Services:		
Gross Synergy Sdn. Bhd.	850,000	-
Best Fortune Sdn. Bhd.	-	16,000
Day One Solutions Sdn. Bhd.	<u>48,000</u>	<u>32,000</u>

**15. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

The financial statements of the Company have been authorised for issue by the Board of Directors on

**22 AUG 2024**

---

## APPENDIX V – VALUATION LETTER BY SCS GLOBAL

---

SCS Global Advisory (M) Sdn. Bhd. 200901020913 (864010-V)  
Unit 27-07, Level 27, Q Sentral, 2A, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia  
Tel: +60-3-2710 9989 Fax: +60-3-2710 9986  
www.scsinvictus.com



### Strictly Private & Confidential

29 November 2024

The Board of Directors  
**PANDA ECO SYSTEM BERHAD**  
28, 28-1, 30, 30-1, 32-1 and 34-1  
Jalan PPM13  
Plaza Pandan Malim Business Park  
75250 Melaka

Dear Sirs,

### **FAIR MARKET VALUE OF THE ENTIRE EQUITY INTEREST IN GROSS SYNERGY SDN BHD ("GS") AND DAY ONE TECHNOLOGY SDN BHD ("DOT") (COLLECTIVELY REFERRED TO AS THE, "TARGET COMPANIES") ("EVALUATION")**

---

#### **1. INTRODUCTION**

On 29 November 2024, M & A Securities Sdn Bhd had, on behalf of the Board of Directors of Panda Eco System Berhad ("**Panda Eco System**") ("**Board**") announced that the Panda Eco System proposed to acquire:

- (i) 100,000 ordinary shares in GS, representing 100.00% of the issued share capital of GS from Yeow Cheng Hock, Ho Soo Cherng, Ding Chew Keat and Cheok Kian Hing (collectively referred to as the "**Vendors**"); and
- (ii) 50,000 ordinary shares in DOT, representing 100.00% of the issued share capital of DOT from Vendors,

for a total purchase consideration of RM17.06 million ("**Purchase Consideration**") (collectively referred to as the "**Proposed Acquisitions**").

SCS Global Advisory (M) Sdn Bhd ("**SCS Global**") was appointed by the Board on 25 September 2024 as the Independent Valuer to provide an opinion on the fair market value of the entire equity interest in Target Companies ("**Letter**"). This Letter is prepared for the Board of Panda Eco System and is intended solely for inclusion in the circular to shareholders of Panda Eco System in connection with the Proposed Acquisitions.

#### **2. BACKGROUND INFORMATION ON TARGET COMPANIES**

##### **2.1 Information of GS**

GS was incorporated in Malaysia on 15 October 1992 as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016. As at 15 November 2024, being the latest practicable date ("**LPD**"), GS's issued share capital is RM100,000 comprising 100,000 ordinary shares in GS. The principal activity of GS is involved in the provision of information technology ("**IT**") support services. GS is also involved in the trading in cash registers and equipment related to retail industry.



As at the LPD, the directors and shareholders of GS and their respective shareholdings in GS are as follows:

<b>Name</b>	<b>Director/Shareholder</b>	<b>No. of GS shares</b>	<b>% held in GS</b>
Yeow Cheng Hock	Director and Shareholder	30,000	30.00
Ho Soo Cherng	Director and Shareholder	20,000	20.00
Ding Chew Keat	Director and Shareholder	20,000	20.00
Cheok Kian Hing	Director and Shareholder	30,000	30.00
		<b>100,000</b>	<b>100.00</b>

As at the LPD, GS does not have any subsidiary or associate company.

Based on the latest audited financial statement of GS as at 31 December 2023, GS recorded a profit after taxation ("**PAT**") of RM544,769 and net assets ("**NA**") of RM2,399,494.

## **2.2 Information of DOT**

DOT was incorporated in Malaysia on 22 October 2013 as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016. As at the LPD, DOT's issued share capital is RM50,000, comprising 50,000 ordinary shares in DOT. The principal activity of DOT is the provision of IT system development. DOT is also involved in the general trading.

As at the LPD, the directors and shareholders of DOT and their respective shareholdings in DOT are as follows:

<b>Name</b>	<b>Director/Shareholder</b>	<b>No. of DOT Shares</b>	<b>% held in DOT</b>
Yeow Cheng Hock	Director and Shareholder	15,000	30.00
Ho Soo Cherng	Director and Shareholder	10,000	20.00
Ding Chew Keat	Director and Shareholder	10,000	20.00
Cheok Kian Hing	Director and Shareholder	15,000	30.00
		<b>50,000</b>	<b>100.00</b>

As at the LPD, DOT does not have any subsidiary or associate company.

Based on the latest audited financial statement of DOT as at 31 December 2023, DOT recorded a PAT of RM549,183 and NA of RM1,049,137.

*[The rest of this page is intentionally left blank]*



### **3. TERMS OF REFERENCE**

The basis of our opinion is the fair market value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The concept of market value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.

#### **3.1 Sources of Information**

The sources of information and documents provided to us or which are available to us to form our opinion on the fair market value of the equity interest in Target Companies are as follows:

- (i) Panda Eco System's announcement on the Proposed Acquisitions dated 29 November 2024;
- (ii) share sale agreement ("**SSA**") entered between Panda Eco System and the Vendors dated 28 November 2024;
- (iii) audited financial statements of Target Companies for the financial year ended ("**FYE**") 31 December 2021 to FYE 31 December 2023;
- (iv) unaudited management accounts of Target Companies for the 6-month financial period ended 30 June 2024;
- (v) financial forecast and projection of the Target Companies from FYE 31 December 2024 to FYE 31 December 2029 prepared by the management of the Target Companies ("**Financial Projections**");
- (vi) other relevant information, documents, representation and explanation provided by the management of Target Companies ("**Management**"); and
- (vii) other publicly available information.

We have relied on Panda Eco System and Target Companies, their Board of Directors and management to take due care to ensure that all necessary information, documents and representations in relation to the Proposed Acquisitions and Target Companies provided to us by them to facilitate our Evaluation are accurate, valid and complete in all material aspects, and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate. Accordingly, we have not independently verified the aforesaid information provided to us for its feasibility, reliability, accuracy and/or completeness, and we express no opinion on any such information and have not undertaken any independent investigation into the businesses and affairs of the Target Companies and all relevant parties involved in the Proposed Acquisitions.

Nonetheless, after making all reasonable enquiries and reviews conducted, where possible, we are satisfied that sufficient information has been obtained and have no reason to believe that the aforesaid information provided to us was unreliable, incomplete, misleading and/or inaccurate as at the LPD which might reasonably affect our Evaluation and opinion as set out in this Letter.





We have not undertaken an independent investigation into the business of Panda Eco System and Target Companies. We have assumed that the Proposed Acquisitions will be implemented based on the terms set out in the SSA without material waiver or modification. It should be noted that valuation is highly dependent on, amongst others, the achievability of the Profit Guarantees (as defined hereinafter) and the prevailing economic, market and other conditions that may change significantly over a relatively short period of time. It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports were based.

### **3.2 Date of Opinion**

The date of our opinion is 15 November 2024 (herein also referred to as the “**Date of Opinion**”).

### **3.3 Scope and Limitation of Review**

SCS Global was not involved in the formulation or any deliberation and negotiation on the terms and conditions of any corporate exercise intended to be undertaken by Panda Eco System or Target Companies. Our role as the Independent Valuer does not extend to expressing an opinion on the commercial merits of any corporate exercise intended to be undertaken by Panda Eco System or Target Companies, and this remains solely the responsibility of the Board of Panda Eco System, although we may draw upon their views in arriving at our opinion.

As such, where comments or points of consideration are included on matters that may be commercially oriented, these are incidental to our overall Evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Evaluation and/or any corporate exercise contemplated by the parties.

The directors and management of Panda Eco System and Target Companies are responsible to make available to us all relevant information pertaining to the Evaluation, including informing us of any material changes in the subject matters which may have an impact on our opinion.

Our work includes holding discussions with and making enquiries on the directors and management of Panda Eco System regarding the Proposed Acquisitions (other than information on Target Companies) as well as the directors and Management of Target Companies regarding representations made on Target Companies. We rely on the directors and Management of Target Companies’ oral and written representations, and in no event shall we, our partners, principals, directors, shareholders, agents or employees be liable for any misrepresentations by the directors and Management of Target Companies.

Our procedures and inquiries did not include any verification work that constituted an audit of the information that we relied upon in preparing this Letter. Further, certain information relied upon is only representation of the directors and Management of Target Companies, as well as reliance on third party experts (where applicable) as explained in the relevant sections of this Letter.

With regards to the Profit Guarantees (defined hereinafter) provided by the Vendors, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimation and judgement by the directors and Management of Target Companies on the financial performance of Target Companies and of which the directors and Management of Target Companies are solely responsible for the bases and assumptions as well as the preparation and presentation of the same.



The preparation of this Letter is based on market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by Panda Eco System and Target Companies. Such conditions may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given by SCS Global that the information and documents provided will remain unaltered subsequent to the issuance of this Letter.

However, should SCS Global become aware of any significant change affecting the information contained in this Letter, being informed of any material changes in the subject matters which may have an impact on SCS Global's opinion or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive that there is material omission in this Letter, we will immediately notify the Board of Panda Eco System. If circumstances require, a supplementary Letter will be issued to the Board of Panda Eco System.

We have obtained a responsibility statement from the directors and management of Panda Eco System and Target Companies that all material facts, financial and other information essential to our Evaluation have been disclosed to us and that they have seen this Letter and they, individually and collectively, accept full responsibility for the accuracy of such information contained in this Letter, and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

#### **4. CREDENTIALS, EXPERIENCE AND EXPERTISE OF SCS GLOBAL**

SCS Global is a corporate finance advisory firm in Malaysia licensed by the Securities Commission Malaysia to carry out the regulated activities advising on corporate finance under the Capital Markets and Services Act 2007. SCS Global's expertise spans diverse areas and domains, including initial public offerings, mergers and acquisitions, secondary equity issuance as well as independent valuation advisory services.

SCS Global has undertaken the role as an Independent Valuer in the past two years prior to the date of this Letter, which include the following engagements:

- (i) appointment by Dataprep Holdings Bhd as an Independent Valuer to conduct a valuation of the entire equity interest of DACS Network Solutions Sdn Bhd for the board's evaluation of the proposed acquisition; and
- (ii) appointment by PT. Putra Mulia Telecommunication ("**PMT**"), a subsidiary of OCK Group Berhad, as a Financial Advisor to conduct a valuation of the entire equity interest of the company for PMT's board of directors' evaluation on proposed corporate exercise(s) and/or transaction(s).

Premised on the foregoing, SCS Global is capable and competent in carrying out its role and responsibilities as the Independent Valuer to provide an opinion on the fair market value of the entire equity interest in Target Companies in relation to the Proposed Acquisitions.


**5. SUMMARY OF FINANCIAL INFORMATION**

A summary of the financial information on Target Companies based on the audited financial statements of Target Companies for FYE 31 December 2021 to FYE 31 December 2023 is set out below:

**5.1 Historical Financial Performance**

GS	Audited 31 December		
	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000
Revenue	6,348	8,437	6,286
Cost of sales	(4,342)	(6,258)	(4,479)
<b>Gross Profit</b>	<b>2,006</b>	<b>2,179</b>	<b>1,807</b>
Other operating expenses	(1,159)	(937)	(685)
Other operating income	105	162	950
Administrative expenses	(400)	(516)	(1,179)
Selling and distribution	(109)	(138)	(89)
<b>Profit from operations</b>	<b>443</b>	<b>750</b>	<b>804</b>
Finance cost	(1)	(6)	(88)
<b>Profit before taxation</b>	<b>442</b>	<b>744</b>	<b>716</b>
Taxation expense	(80)	(157)	(171)
<b>PAT</b>	<b>362</b>	<b>587</b>	<b>545</b>

DOT	Audited 31 December		
	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000
Revenue	940	1,164	4,892
Cost of sales	(562)	(703)	(3,726)
<b>Gross Profit</b>	<b>378</b>	<b>461</b>	<b>1,166</b>
Other operating income	25	-	(1)
Other operating expenses	(7)	(25)	(25)
Administrative expenses	(338)	(401)	(466)
<b>Profit from operations</b>	<b>58</b>	<b>35</b>	<b>675</b>
Finance cost	-	-	(6)
<b>Profit before taxation</b>	<b>58</b>	<b>35</b>	<b>669</b>
Taxation expense	(9)	(1)	(120)



DOT	Audited 31 December		
	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000
PAT	49	34	549

**5.2 Historical Financial Position**

GS	Audited 31 December		
	2021	2022	2023
	RM'000	RM'000	RM'000
Non-current assets	539	884	1,005
Current assets	2,021	3,351	3,756
<b>Total assets</b>	<b>2,560</b>	<b>4,235</b>	<b>4,761</b>
Share capital	100	100	100
Retained earnings	1,468	1,755	2,299
<b>Total equity</b>	<b>1,568</b>	<b>1,855</b>	<b>2,399</b>
Non-current liabilities	-	1,157	1,331
Current liabilities	992	1,223	1,031
<b>Total liabilities</b>	<b>992</b>	<b>2,380</b>	<b>2,362</b>
<b>Total equity and liabilities</b>	<b>2,560</b>	<b>4,235</b>	<b>4,761</b>
DOT	Audited 31 December		
	2021	2022	2023
	RM'000	RM'000	RM'000
Non-current assets	18	148	131
Current assets	534	492	2,221
<b>Total assets</b>	<b>552</b>	<b>640</b>	<b>2,352</b>
Share capital	1	1	50
Retained earnings	416	450	999
<b>Total equity</b>	<b>417</b>	<b>451</b>	<b>1,049</b>





DOT	Audited 31 December		
	2021	2022	2023
	RM'000	RM'000	RM'000
Non-current liabilities	-	-	158
Current liabilities	135	189	1,145
<b>Total liabilities</b>	<b>135</b>	<b>189</b>	<b>1,303</b>
<b>Total equity and liabilities</b>	<b>552</b>	<b>640</b>	<b>2,352</b>

### 5.3 Historical Cash Flows

GS	Audited 31 December		
	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000
Net cash (used in)/generated from:			
Operating activities	305	400	(1,346)
Investing activities	(580)	(774)	(443)
Financing activities	(60)	1,342	155
<b>Net (decreased)/increased in cash and cash equivalents</b>	<b>(335)</b>	<b>968</b>	<b>(1,634)</b>
Cash and cash equivalents at the beginning of the financial year	1,068	733	1,701
<b>Cash and cash equivalents at the end of the financial year</b>	<b>733</b>	<b>1,701</b>	<b>67</b>

*[The rest of this page is intentionally left blank]*



DOT	Audited 31 December		
	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000
Net cash (used in)/generated from:			
Operating activities	(287)	80	(51)
Investing activities	(20)	(155)	(8)
Financing activities	-	-	233
<b>Net (decreased)/increased in cash and cash equivalents</b>	<b>(307)</b>	<b>(75)</b>	<b>174</b>
Cash and cash equivalents at the beginning of the financial year	507	200	125
<b>Cash and cash equivalents at the end of the financial year</b>	<b>200</b>	<b>125</b>	<b>299</b>

Note:

(1) Less than RM500.

The financial statements of Target Companies for the financial year under review were prepared in accordance with the Malaysian Financial Reporting Standards. No audit qualifications were reported in Target Companies' audited financial statements during the financial years under review, and no exceptional and/or extraordinary items were reported in Target Companies' audited financial statements for the financial years under review.

#### 5.4 Financial Commentaries

##### FYE 31 December 2021 vs FYE 31 December 2022

GS's revenue increased to RM8.44 million for the FYE 31 December 2022 from RM6.35 million for the FYE 31 December 2021, representing an increase of RM2.09 million or 32.91%. The increase in revenue is mainly attributable to higher sales of hardware and software to the customers for opening new outlets post-COVID-19 pandemic.

GS' PAT increased to RM0.59 million for FYE 31 December 2022 from RM0.36 million for the FYE 31 December 2021, representing an increase of RM0.23 million or 63.89%. The increase in PAT was mainly attributable to the following:

- (i) decrease in other operating expenses by RM0.22 million, mainly attributable to the absence of director fee; and
- (ii) increase in gross profit by RM0.17 million as a result of higher sales of hardware and software as explained above,



which was partially offset by the following:

- (i) increase in administrative expenses by RM0.12 million mainly due to the increase in depreciation of property, plant and equipment, amortisation of intangible assets and management fee; and
- (ii) increase in taxation expenses by RM0.08 million.

DOT's revenue increased to RM1.16 million for the FYE 31 December 2022 from RM0.94 million for the FYE 31 December 2021, representing an increase of RM0.22 million or 23.40%. The increase in revenue is mainly attributable to increase in sales of project management solutions to manage customers' software customisation and increase in sales of software.

DOT's PAT decreased marginally to RM0.03 million for the FYE 31 December 2022 from RM0.05 million for the FYE 31 December 2021, representing a decrease of RM0.02 million or 40.00%.

#### **FYE 31 December 2022 vs FYE 31 December 2023**

GS's revenue decreased to RM6.29 million for the FYE 31 December 2023 from RM8.44 million for the FYE 31 December 2022, representing a decrease of RM2.15 million or 25.47%. The decrease in revenue was mainly due to lower demand for hardware and software from our customers.

GS's PAT decreased to RM0.55 million for the FYE 31 December 2023 from RM0.59 million for the FYE 31 December 2022, representing a decrease of RM0.04 million or 6.78%. The decrease in PAT was mainly due to the following:

- (i) decrease in gross profit of RM0.37 million as a result of a decrease in revenue as explained above;
- (ii) increase in other operating expenses and administrative expenses by RM0.41 million mainly due to an increase in staff costs,

which was partially offset by the increase in other incomes by RM0.79 million mainly attributable to the secondment cost charged to DOT.

DOT's revenue increased to RM4.89 million for the FYE 31 December 2023 from RM1.16 million for the FYE 31 December 2022, representing an increase of RM3.73 million or 321.55%. The increase in revenue was mainly due to higher subscription of its newly developed self-checkout system and sales of its related hardware.

DOT's PAT increased to RM0.55 million for FYE 31 December 2023 from RM0.03 million for the FYE 31 December 2022, representing an increase of RM0.52 million or 1,733.33%. The increase in PAT was mainly due to the increase in gross profit of RM0.71 million as a result of increase in revenue as explained above, which was partially offset by the increase in taxation expense by RM0.12 million and increase in administrative expenses by RM0.07 million mainly due to the increase in staff costs and directors' remuneration.

*[The rest of this page is intentionally left blank]*



## **6. INDUSTRY OUTLOOK**

### **6.1 Overview and Outlook of Malaysia Economy**

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

During the quarter, both headline and core inflation remained stable at 1.9% (2Q 2024: 1.9%). Higher inflation was observed for diesel (20.1%; 2Q 2024: 5.3%) and vehicle insurance (0.8%; 2Q 2024: -0.1%), which was offset by broader moderation in inflation for food and beverages (1.6%; 2Q 2024: 1.9%), particularly food away from home, cereals, and fresh vegetables. On the whole, the share of Consumer Price Index (CPI) items recording monthly price increases was lower at 38.9% during the quarter (2Q 2024: 49.4%).

Year to date, both headline and core inflation averaged at 1.8%. Spillovers from the diesel price adjustment to broader prices have been contained, given effective mitigation and enforcement measures to minimise the impact on business costs and pass-through to retail prices. Going forward, the outlook for inflation will depend on the implementation of further domestic policy measures on subsidies and price controls, as well as global commodity prices and financial market developments.

*(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2024, published on 15 November 2024, Bank Negara Malaysia)*

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace.

Overall, real gross domestic product in 2024 is revised upward, ranging between 4.8% and 5.3%, surpassing the initial target of 4% to 5%.

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronics goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives.

*(Source: Economic Outlook 2025, published on 18 October 2024, Ministry of Finance of Malaysia)*



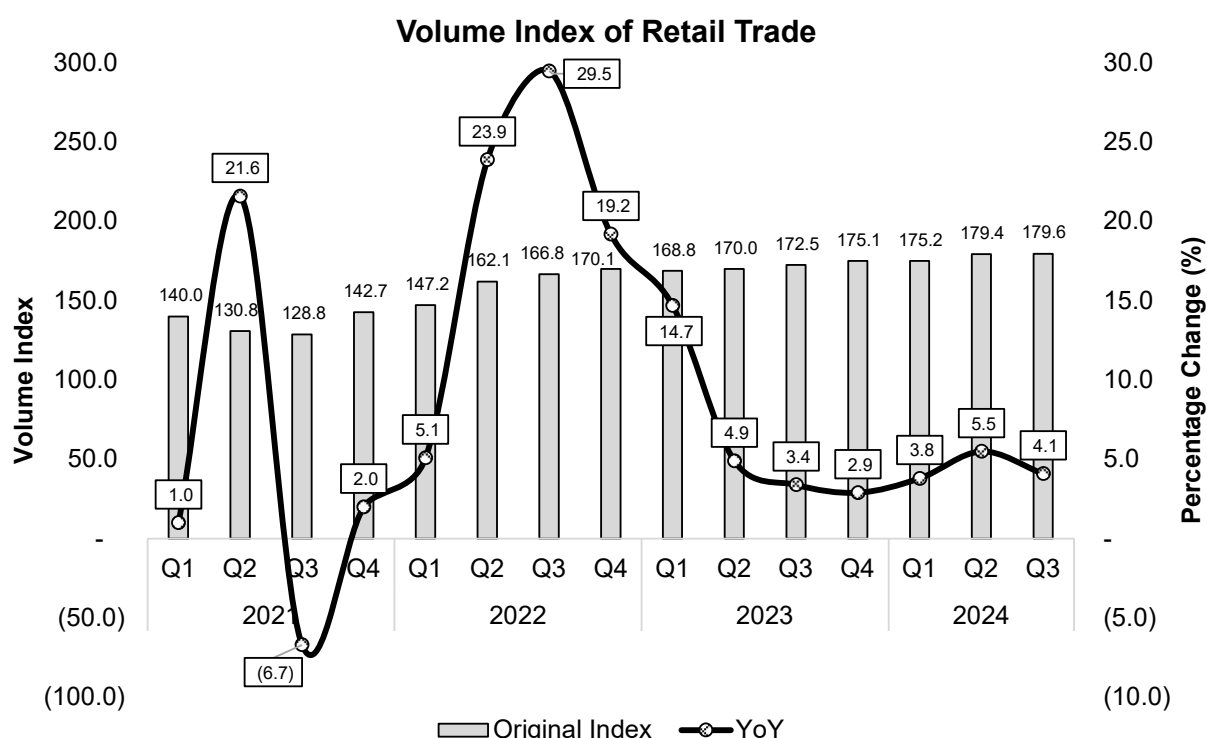
## 6.2 Overview and Outlook of the Retail Industry in Malaysia

The wholesale and retail trade subsector grew by 4.3% in the first half of 2024, with sustained performance, mainly in retail trade and motor vehicle segments driven by improved consumer spending. The subsector is expected to expand by 4.0% in the second half of the year supported by positive growth in all segments, particularly retail trade with anticipation of higher tourist arrivals and expenses, while household expenditure is expected to remain resilient, backed by steady income growth and various financial assistance programmes.

(Source: *Economic Outlook 2025*, published on 18 October 2024, Ministry of Finance of Malaysia)

In the third quarter of 2024, retail trade recorded a positive growth of 4.1% to 179.6 points as against the same quarter of the previous year. The growth was contributed by retail sale not in stores, stalls or markets with 6.7%. This was followed by retail sale of food, beverages and tobacco (6.4%), retail sale via stalls and markets (5.8%), retail sale in non-specialised stores (5.8%), retail sale of automotive fuel (5.4%), retail sale of cultural and recreation goods (4.1%), and retail sale of household goods (3.4%). For quarter-on-quarter comparison, volume index of retail trade inched up 0.1%.

Conversely, within the same period, seasonally adjusted volume index of retail trade declined -1.1% as compared to the previous quarter.



(Source: *Quarterly Volume Index of Wholesale and Retail Trade*, published on 7 November 2024, Department of Statistics Malaysia)





## **7. VALUATION METHOD**

### **7.1 Basis and Method Used to Form an Opinion on the Evaluation**

In establishing our opinion on the fair market value of the entire equity interest in Target Companies, SCS Global considered various valuation methodologies, which are commonly used for valuation and took into consideration Target Companies' earnings-generating capabilities, its sustainability as well as various business considerations and risk factors affecting its business.

The valuation methodology considered and selected by SCS Global to determine the fair market value of the entire equity interest in Target Companies is solely based on the discounted free cash flow to equity ("**FCFE**") methodology as the underlying value of Target Companies is likely to be derived from its continuous business operations.

Further, SCS Global has also considered the other valuation methodologies and found that the following methodologies are not suitable for arriving at the fair market value of the entire equity interest in Target Companies based on the following factors:

<b>Valuation Methodologies</b>	<b>Discussion</b>
Relative Valuation Analysis (" <b>RVA</b> ")	<p>RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial value. Under RVA, reference was made to the valuation statistics of comparable companies to get an indication of the current market expectation with regards to the implied value of the equity interest in the Target Companies and compared the implied trading multiples to determine the firm's financial value.</p> <p>We have identified 6 comparable companies listed on Bursa Securities (as defined herein) based on the following criteria:</p> <ul style="list-style-type: none"> <li>(i) majority of its businesses (largest revenue contribution of more than 50.0% of its revenues) are involved in the provision of software application and system development; and</li> <li>(ii) market capitalisation of below RM200.00 million.</li> </ul> <p>Kindly refer to Section 7.2 for the details of comparable companies.</p> <p>We have considered the RVA and have concluded that this valuation is not suitable for determining the fair market value of the entire equity interest in Target Companies after assessing the following factors:</p> <ul style="list-style-type: none"> <li>(i) similarity in size in terms of market capitalisation. The Purchase Consideration of RM17.06 million for the acquisition of the entire equity interest in the Target Companies is relatively smaller as compared to the market capitalisation of comparable companies; and</li> </ul>



**Valuation  
Methodologies**

**Discussion**

- (ii) similarity in financial performance in terms of revenue and PAT track records. The total revenue (RM11.18 million) and total PAT (RM1.10 million) of both Target Companies for the FYE 31 December 2023 are relatively lower as compared to the TTM revenue and TTM PAT of comparable companies.

Summary of market capitalisation, trailing twelve months (“TTM”) financial result of comparable companies

Comparable companies	Market capitalisation	TTM revenue	TTM PAT
	RM million	RM million	RM million
Agmo Holdings Berhad	182.00	36.41	6.98
Censof Holdings Berhad	140.83	106.33	8.26
Cuscapi Berhad	170.06	41.73	13.24
Excel Force MSC Berhad	179.92	29.02	8.28
OpenSys (M) Berhad	163.10	92.09	12.83
Rexit Berhad	135.98	32.07	13.21

Comparable  
Transaction Analysis  
 (“CTA”)

CTA is a valuation method which seeks to compare against other recent comparable transactions undertaken by companies listed on local stock exchanges that had entered into acquisitions of similar assets. It also reflects a reasonable estimate of multiples or premiums that others have paid for similar companies in the past.

We have conducted our searches on precedent transactions for the past 3 years from S&P Capital IQ as at the Date of Opinion. The criteria that we have selected are (i) Industry classification: software and services, (ii) geographical location: Malaysia and (iii) implied equity value of up to RM50.00 million. As a result of the above, we noted 2 transactions involving companies engaged in a similar business to Target Companies. However, due to limited transactions identified, we are of the view that such transactions are not suitable for determining the fair market value of the entire equity interest in Target Companies.

Revalued Net Asset  
Valuation (“RNAV”)

RNAV method seeks to adjust the net asset value of a company by taking into consideration the valuation of the company's assets to determine the adjusted value of the firm's financial value. It should be noted that the RNAV may not accurately reflect the potential of Target Companies as the potential value of Target Companies is highly dependent on the future growth of the company.



## **7.2 Discounted FCFE Methodology**

Discounted FCFE methodology is a valuation method that considers both the time value of money and the projected net cash flows generated by the subject matter to derive a fair market value for the subject matter. It is based on discounted cash flows, involving the application of an appropriately selected discount rate on the projected future cash flows to be earned by the equity holders of a company. FCFE is the free cash flow available to be paid to the equity shareholders of the company after all expenses, reinvestment and debt repayment.

In arriving at the appropriate discount rate for Target Companies, we have applied the prevailing risk-free rate and market risk premium, as well as adopted the betas of available comparable companies with relevant adjustments made taking into consideration the gearing and the risk profile as well as other risk factors that may affect Target Companies.

All information obtained was sourced from Bloomberg as at the Date of Opinion unless stated otherwise.

The projected FCFE is determined annually based on Target Companies' Financial Projections, which shall be discounted using the cost of equity. The cost of equity takes into account a combination of risk factors associated with the industry in which Target Companies is involved, namely, the systematic risk, i.e. the inherent market risk such as interest rate fluctuation, and the capital structure, i.e. the financing risk. These risks are translated into the required rate of return as determined below, which is built upon the Capital Asset Pricing Model ("**CAPM**"). The cost of equity is estimated based on the following formula:

$$\text{Cost of equity} = \text{Risk-Free Rate} + [\text{Re-levered Beta} \times (\text{Market Return} - \text{Risk-Free Rate})]$$

For the purpose of determining the appropriate equity risk premium in estimating the cost of equity, the comparable companies' beta was adjusted (de-levered) for their respective gearing ratio and statutory tax rate. The average unlevered beta is then re-levered based on the gearing ratio and statutory tax rate of the Target Companies. The gearing ratio refers to total debts divided by market capitalisation.

To identify the comparable companies, SCS Global has attempted to search for publicly listed comparable companies on Bursa Malaysia Securities Berhad ("**Bursa Securities**") that are principally involved in the provision of software applications and system development.

We have conducted our search based on the above criteria where the majority of its businesses (largest revenue contribution of more than 50.0% of its revenues) are involved in the provision of software application and system development with a market capitalisation of below RM200.00 million. Based on the above criteria, a total of 6 comparable companies listed on Bursa Securities were selected.

By limiting the selection of comparable companies to Malaysia, which are similar in market demographics and characteristics, will provide more compatible data without the need for any adjustments. Any normalisation of market data involving comparable companies other than those in Malaysia may potentially be erroneous as parameters, such as market return, expected inflation and expected growth in gross domestic product (GDP), used for normalising the multiples may change significantly over a short period of time.



The details of the comparable companies as at the Date of Opinion are set out as follows:

Comparable Companies	Principal activities
Agmo Holdings Berhad	<p>Agmo Holdings Berhad is an investment holding company. Through its subsidiaries, it is involved in the provision of digital solutions and application development. It has four operating segments as follows:</p> <ul style="list-style-type: none"> <li>(i) development of bespoke digital solutions which is involved in developing end-to-end customised solutions that address specific goals or challenges faced by their clients;</li> <li>(ii) provision of digital platform-based services which involved products developed in-house and offered to customers on a subscription basis;</li> <li>(iii) provision of subscription, hosting, technical support, and maintenance services, which involves providing hosting and subscription services to its customers under several third-party cloud computing platforms. Its technical support services comprise troubleshooting and rectification of faults and issues faced by the users while maintenance services comprise adaptive maintenance, corrective maintenance and preventive maintenance; and</li> <li>(iv) provision of training and development services which is involved in providing training courses on various subjects related to programming.</li> </ul>
Censof Holdings Berhad	<p>Censof Holdings Berhad is a technology investment holding company. Through its subsidiaries, it is involved in financial management software solutions. It has three operating segments as follows:</p> <ul style="list-style-type: none"> <li>(i) financial management solutions segment for government and for commercial which is involved in designing, developing, implementing and marketing financial management software and related services;</li> <li>(ii) wealth management solutions segment which is involved in providing services for portfolio management, fund accounting, unit registry, selling agent and online transaction; and</li> <li>(iii) digital technology segment which is involved in providing information technology consultancy and services for system integration, cloud-based solutions, e-procurement and e-tendering.</li> </ul>
Cuscapi Berhad	<p>Cuscapi Bhd is an investment holding. Through its subsidiaries, it is involved in the following operating segments:</p> <ul style="list-style-type: none"> <li>(i) sale of the point-of-sales (POS) segment which is involved in the sale of software, hardware, maintenance services and other support services of point-of-sales; and</li> <li>(ii) trading of digital assets.</li> </ul>



<b>Comparable Companies</b>	<b>Principal activities</b>
Excel Force MSC Berhad	<p>Excel Force MSC Berhad is principally engaged in the development, provision and maintenance of software application solutions for the financial services industry, specifically stockbroking companies and investment banks. It has three operating segments as follows:</p> <ul style="list-style-type: none"> <li>(i) application solutions for sales of software applications and products on an outright purchase basis;</li> <li>(ii) maintenance services for the provision of maintenance services; and</li> <li>(iii) application services provider for the provision of application services on monthly recurring fixed and variable charges.</li> </ul>
OpenSys Berhad	<p>(M) OpenSys (M) Berhad is an investment holding company. Through its subsidiaries, it is involved in the following operating segments:</p> <ul style="list-style-type: none"> <li>(i) hardware including the sale, assembly and distribution of cheque deposit machines, cash recycling machines and other hardware equipment.; and</li> <li>(ii) software solution and services including the sale of software, software customisation, support and maintenance, after-sale services, cheque processing outsourcing, outsourcing of payment kiosks and cash-in-transit services.</li> </ul>
Rexit Berhad	<p>Rexit Berhad is an investment holding company. Through its subsidiaries, it principally engages in the provision of IT solutions and related services, which include software-based activities and hardware sales.</p>

The details of the input parameters for CAPM as the Date of Opinion are set out as follows:

<b>Comparable company</b>	<b>Market Capitalisation</b>	<b>2-year levered beta</b>	<b>Gearing ratio</b>	<b>Tax rate</b>	<b>Unlevered beta</b>
	RM million		times	%	
Agmo Holdings Berhad	182.00	1.73	0.01	24.00	1.72
Censof Holdings Berhad	140.83	1.73	0.02	24.00	1.71
Cuscapi Berhad	170.06	2.13	(1)	24.00	2.13
Excel Force MSC Berhad	179.92	0.89	0.05	24.00	0.86
OpenSys (M) Berhad	163.10	0.91	0.10	24.00	0.85
Rexit Berhad	135.98	0.77	0.05	24.00	0.75
			<b>Average</b>		<b>1.34</b>

Note:

(1) Less than 0.01.





In the evaluation of the fair market value of the entire equity interest in Target Companies, and based on the discounted FCFE methodology using the Financial Projections as provided by the Management, the following were noted:

<b>Cost of Equity Inputs</b>	<b>GS</b>	<b>DOT</b>
Average unlevered beta of comparable companies	1.34	
Estimated debt to equity ratio of Target Companies	— <sup>(1)</sup>	
Tax rate	24.00%	
Levered beta of Target Companies	1.34	
Risk-free rate	3.88%	
Market return	9.19%	
Terminal growth rate	2.00%	
Cost of equity derived using CAPM	11.00%	
Fair market value of the entire equity interest in the Target Company	RM12.53 million	RM6.53 million

Note:

- (1) Assumed no debt as the Target Companies will repay all the outstanding balance of the borrowings and hire purchases as stipulated in SSA. After discussing with the management of Panda Eco System and Target Companies, it is anticipated that Target Companies will not require any borrowings to carry out the business activities after the Proposed Acquisitions.

The Financial Projections have been prepared based on a set of assumptions made by the Management, which include assumptions about future events and outlook that may or may not necessarily occur. The results of the Financial Projections can be materially affected by economic and other circumstances. The actual results may vary considerably from Financial Projections.

The specific key assumptions are as follows:

- (i) GS

Revenue	<p>Revenue from FYE 31 December 2025 to FYE 31 December 2029 is projected at an annual growth rate of 10% per annum.</p> <p>We are of the view that the growth rate of 10% per annum is reasonable based on the following:</p> <p>(a) historical growth rate of the revenue ranges from -25.50% to 32.90% from FYE 31 December 2021 to FYE 31 December 2023;</p>
---------	--



	<table border="1"> <thead> <tr> <th></th><th>Revenue Growth</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2020 vs FYE 31 December 2021</td><td>-0.07%</td></tr> <tr> <td>FYE 31 December 2021 vs FYE 31 December 2022</td><td>32.90%</td></tr> <tr> <td>FYE 31 December 2022 vs FYE 31 December 2023</td><td>-25.50%</td></tr> </tbody> </table> <p>(b) recorded RM4.26 million in revenue based on the unaudited management account for the 6-month financial period ended 30 June 2024; and</p> <p>(c) based on Panda Eco System's Prospectus, the independent market report presented by Providence Strategic Partners Sdn Bhd, the retail management solutions industry in Malaysia grew from RM176.1 million in 2018 to RM351.1 million in 2022 at a compound annual growth rate ("CAGR") of 18.8%. Moving forward, the retail management solutions industry in Malaysia is forecast to grow by a further CAGR of 18.4%, from an estimated RM415.7 million in 2023 to RM582.8 million in 2025.</p>		Revenue Growth	FYE 31 December 2020 vs FYE 31 December 2021	-0.07%	FYE 31 December 2021 vs FYE 31 December 2022	32.90%	FYE 31 December 2022 vs FYE 31 December 2023	-25.50%
	Revenue Growth								
FYE 31 December 2020 vs FYE 31 December 2021	-0.07%								
FYE 31 December 2021 vs FYE 31 December 2022	32.90%								
FYE 31 December 2022 vs FYE 31 December 2023	-25.50%								
Gross profit margin	<p>The gross profit margin is projected to be 25% from FYE 31 December 2025 to FYE 31 December 2029.</p> <p>We are of the view that the gross profit margin of 25% is reasonable given that the historical gross profit margin ranges from 25.82% to 31.60%.</p> <table border="1"> <thead> <tr> <th></th><th>GP margin</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2021</td><td>31.60%</td></tr> <tr> <td>FYE 31 December 2022</td><td>25.82%</td></tr> <tr> <td>FYE 31 December 2023</td><td>28.75%</td></tr> </tbody> </table>		GP margin	FYE 31 December 2021	31.60%	FYE 31 December 2022	25.82%	FYE 31 December 2023	28.75%
	GP margin								
FYE 31 December 2021	31.60%								
FYE 31 December 2022	25.82%								
FYE 31 December 2023	28.75%								
Other income	<p>The other income is projected to be RM850,000 per annum plus 2.00% year-on-year increase for the secondment costs charges to DOT.</p>								
Other operating expenses, administrative expenses, and selling	<p>(a) The director salaries to be paid from FYE 31 December 2025 to FYE 31 December 2029 are as follows:</p>								



and distribution expenses		FYE 31 December 2023	FYE 31 December 2025 – FYE 31 December 2029
	Yeow Cheng Hock	RM72,000	-
	Cheok Kian Hing	RM141,000	-
	Ding Chew Keat	RM142,620	RM214,620
	Ho Soo Cherng	RM141,060	RM213,060
	<b>Total</b>	<b>RM496,680</b>	<b>RM427,680</b>
	(b) There will be management fees amounting to RM36,000 for the FYE 31 December 2025 (FYE 31 December 2023: RM72,000) related to accounting and tax services incurred. Such management fees will not be incurred from FYE 31 December 2026 to FYE 31 December 2029, due to the expected synergies to be achieved following the proposed acquisition by Panda Eco System.		
Property, plant and equipment	Assumed two motor vehicles will be disposed to directors at an expected combined net book value of RM0.24 million in FYE 31 December 2025.		
Other receivables	Assumed GS will receive the proceeds for the amount due from Day One Solutions Sdn Bhd amounting to RM2.09 million in FYE 31 December 2025 as per stipulated in SSA.		
Borrowings and hire purchases	Assumed GS will fully repay the outstanding borrowings and hire purchases in FYE 31 December 2025 as stipulated in SSA.		
Capital expenditures on property, plant and equipment as well as intangible assets.	<p>(a) Capital expenditures on property, plant and equipment are projected at RM0.05 million from FYE 31 December 2025 to FYE 31 December 2029 based on Management's best estimate with the historical capital expenditure incurred.</p> <p>(b) Capital expenditures on intangible assets are projected at RM0.30 million from FYE 31 December 2025 to FYE 31 December 2029 based on Management's best estimate with the historical capital expenditure incurred.</p>		



Trade receivables turnover days	<p>The turnover days for trade receivables are estimated to be approximately 53 days which is within the historical range.</p> <table border="1" data-bbox="644 443 1345 658"> <thead> <tr> <th></th><th>Trade receivables turnover days</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2021</td><td>56 days</td></tr> <tr> <td>FYE 31 December 2022</td><td>40 days</td></tr> <tr> <td>FYE 31 December 2023</td><td>65 days</td></tr> </tbody> </table> <p>We also noted from audited financial statements that the credit terms given to customers range between 30 days to 90 days.</p>		Trade receivables turnover days	FYE 31 December 2021	56 days	FYE 31 December 2022	40 days	FYE 31 December 2023	65 days
	Trade receivables turnover days								
FYE 31 December 2021	56 days								
FYE 31 December 2022	40 days								
FYE 31 December 2023	65 days								
Inventory turnover days	<p>The turnover days for inventory are estimated to be approximately 9 days which is within the historical range.</p> <table border="1" data-bbox="644 918 1345 1104"> <thead> <tr> <th></th><th>Inventory turnover days</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2021</td><td>13 days</td></tr> <tr> <td>FYE 31 December 2022</td><td>9 days</td></tr> <tr> <td>FYE 31 December 2023</td><td>6 days</td></tr> </tbody> </table>		Inventory turnover days	FYE 31 December 2021	13 days	FYE 31 December 2022	9 days	FYE 31 December 2023	6 days
	Inventory turnover days								
FYE 31 December 2021	13 days								
FYE 31 December 2022	9 days								
FYE 31 December 2023	6 days								
Trade payables turnover days	<p>The turnover days for trade payables are estimated to be approximately 34 days which is within the historical range.</p> <table border="1" data-bbox="644 1263 1345 1478"> <thead> <tr> <th></th><th>Trade payables turnover days</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2021</td><td>42 days</td></tr> <tr> <td>FYE 31 December 2022</td><td>28 days</td></tr> <tr> <td>FYE 31 December 2023</td><td>33 days</td></tr> </tbody> </table> <p>We also noted from audited financial statements that the credit terms given to customers range between 30 days to 90 days.</p>		Trade payables turnover days	FYE 31 December 2021	42 days	FYE 31 December 2022	28 days	FYE 31 December 2023	33 days
	Trade payables turnover days								
FYE 31 December 2021	42 days								
FYE 31 December 2022	28 days								
FYE 31 December 2023	33 days								



(ii) DOT

Revenue	<p>Revenue for the from FYE 31 December 2025 to FYE 31 December 2029 is projected at an annual growth rate of 10% per annum.</p> <p>We are of the view that the growth rate of 10% per annum is reasonable based on the following:</p> <p>(a) historical growth rate of the revenue ranges from -14.27% to 320.05% from FYE 31 December 2021 to FYE 31 December 2023;</p> <table border="1"> <thead> <tr> <th></th><th>Revenue Growth</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2020 vs FYE 31 December 2021</td><td>-14.27%</td></tr> <tr> <td>FYE 31 December 2021 vs FYE 31 December 2022</td><td>23.86%</td></tr> <tr> <td>FYE 31 December 2022 vs FYE 31 December 2023</td><td>320.05%</td></tr> </tbody> </table> <p>(b) recorded RM1.69 million in revenue based on the unaudited management account for the 6-month financial period ended 30 June 2024; and</p> <p>(c) based on Panda Eco System's Prospectus, the independent market report presented by Providence Strategic Partners Sdn Bhd, the retail management solutions industry in Malaysia grew from RM176.1 million in 2018 to RM351.1million in 2022 at a compound annual growth rate ("CAGR") of 18.8%. Moving forward, the retail management solutions industry in Malaysia is forecast to grow by a further CAGR of 18.4%, from an estimated RM415.7 million in 2023 to RM582.8 million in 2025.</p>		Revenue Growth	FYE 31 December 2020 vs FYE 31 December 2021	-14.27%	FYE 31 December 2021 vs FYE 31 December 2022	23.86%	FYE 31 December 2022 vs FYE 31 December 2023	320.05%
	Revenue Growth								
FYE 31 December 2020 vs FYE 31 December 2021	-14.27%								
FYE 31 December 2021 vs FYE 31 December 2022	23.86%								
FYE 31 December 2022 vs FYE 31 December 2023	320.05%								
Gross profit margin	<p>The gross profit margin is projected to be 25% from FYE 31 December 2025 to FYE 31 December 2029.</p> <p>We are of the view that the gross profit margin of 25% is reasonable given that the historical gross profit margin ranges from 23.83% to 40.22%.</p> <table border="1"> <thead> <tr> <th></th><th>GP margin</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2021</td><td>40.22%</td></tr> <tr> <td>FYE 31 December 2022</td><td>39.63%</td></tr> <tr> <td>FYE 31 December 2023</td><td>23.83%</td></tr> </tbody> </table>		GP margin	FYE 31 December 2021	40.22%	FYE 31 December 2022	39.63%	FYE 31 December 2023	23.83%
	GP margin								
FYE 31 December 2021	40.22%								
FYE 31 December 2022	39.63%								
FYE 31 December 2023	23.83%								





Other operating expenses, administrative expenses, and selling and distribution expenses	<p>(c) The directors' salaries to be paid from FYE 2025 to FYE 2029 are as follows:</p> <table><tr><td></td><td><b>FYE 31 December 2023</b></td><td><b>FYE 2025 31 December – FYE 31 December 2029</b></td></tr><tr><td>Yeow Cheng Hock</td><td>RM47,250</td><td>-</td></tr><tr><td>Cheok Kian Hing</td><td>RM63,000</td><td>-</td></tr><tr><td>Ding Chew Keat</td><td>RM27,000</td><td>RM27,000</td></tr><tr><td>Ho Soo Cherng</td><td>RM27,000</td><td>RM27,000</td></tr><tr><td><b>Total</b></td><td><b>RM164,250</b></td><td><b>RM54,000</b></td></tr></table> <p>(d) There will be no management fees (FYE 31 December 2023: RM48,000) related to legal professional fees from FYE 31 December 2025 to FYE 31 December 2029 due to the expected synergies to be achieved following the proposed acquisition by Panda Eco System.</p>		<b>FYE 31 December 2023</b>	<b>FYE 2025 31 December – FYE 31 December 2029</b>	Yeow Cheng Hock	RM47,250	-	Cheok Kian Hing	RM63,000	-	Ding Chew Keat	RM27,000	RM27,000	Ho Soo Cherng	RM27,000	RM27,000	<b>Total</b>	<b>RM164,250</b>	<b>RM54,000</b>
	<b>FYE 31 December 2023</b>	<b>FYE 2025 31 December – FYE 31 December 2029</b>																	
Yeow Cheng Hock	RM47,250	-																	
Cheok Kian Hing	RM63,000	-																	
Ding Chew Keat	RM27,000	RM27,000																	
Ho Soo Cherng	RM27,000	RM27,000																	
<b>Total</b>	<b>RM164,250</b>	<b>RM54,000</b>																	
Borrowings	Assumed DOT will fully repay the outstanding borrowing in FYE 31 December 2025 as stipulated in SSA.																		
Capital expenditures on property, plant and equipment	Capital expenditures on property, plant and equipment are projected at RM0.01 million from FYE 31 December 2025 to FYE 31 December 2029 based on Management's best estimate with the historical capital expenditure incurred.																		
Trade receivables turnover days	<p>The turnover days for trade receivables are estimated to be approximately 70 days, which is within the historical range.</p> <table><tr><td></td><td><b>Trade receivables turnover days</b></td></tr><tr><td>FYE 31 December 2021</td><td>58 days</td></tr><tr><td>FYE 31 December 2022</td><td>74 days</td></tr><tr><td>FYE 31 December 2023</td><td>79 days</td></tr></table> <p>We also noted from audited financial statements that the credit terms given to customers range between 30 days to 90 days.</p>		<b>Trade receivables turnover days</b>	FYE 31 December 2021	58 days	FYE 31 December 2022	74 days	FYE 31 December 2023	79 days										
	<b>Trade receivables turnover days</b>																		
FYE 31 December 2021	58 days																		
FYE 31 December 2022	74 days																		
FYE 31 December 2023	79 days																		



Inventory turnover days	<p>The turnover days for inventory are estimated to be approximately 7 days, which is within the historical range.</p> <table border="1" data-bbox="644 443 1366 629"> <thead> <tr> <th></th><th>Inventory turnover days</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2021</td><td>6 days</td></tr> <tr> <td>FYE 31 December 2022</td><td>13 days</td></tr> <tr> <td>FYE 31 December 2023</td><td>2 days</td></tr> </tbody> </table>		Inventory turnover days	FYE 31 December 2021	6 days	FYE 31 December 2022	13 days	FYE 31 December 2023	2 days
	Inventory turnover days								
FYE 31 December 2021	6 days								
FYE 31 December 2022	13 days								
FYE 31 December 2023	2 days								
Trade payables turnover days	<p>The turnover days for trade payables are estimated to be approximately 58 days, which is within the historical range.</p> <table border="1" data-bbox="644 788 1366 981"> <thead> <tr> <th></th><th>Trade payables turnover days</th></tr> </thead> <tbody> <tr> <td>FYE 31 December 2021</td><td>94 days</td></tr> <tr> <td>FYE 31 December 2022</td><td>27 days</td></tr> <tr> <td>FYE 31 December 2023</td><td>52 days</td></tr> </tbody> </table> <p>We also noted from audited financial statements that the credit terms given to customers range between 30 days to 90 days.</p>		Trade payables turnover days	FYE 31 December 2021	94 days	FYE 31 December 2022	27 days	FYE 31 December 2023	52 days
	Trade payables turnover days								
FYE 31 December 2021	94 days								
FYE 31 December 2022	27 days								
FYE 31 December 2023	52 days								

The general assumptions are as follows:

- (i) there will be no significant changes in the principal activities, key management personnel, operating policies, accounting and business policies presently adopted by Target Companies;
- (ii) the Financial Projections have been prepared based on prevailing economic conditions and information available as at the date of its preparation and do not encompass any assessment of the potential for future changes in the economic conditions in Malaysia that may affect Target Companies' operations;
- (iii) there will be no significant changes to the prevailing economic, political and market conditions in Malaysia and elsewhere that will have direct and indirect effects on the activities and performance of Target Companies and the business of Target Companies' customers and suppliers;
- (iv) there will be no material changes to the present legislation and Target Companies' activities or the market in which it operates;
- (v) there will be no significant changes in the estimated credit period granted or received by Target Companies;
- (vi) the statutory income tax rate and other relevant duty and tax rates for Target Companies will remain at existing rates with no significant changes in the bases of taxation, and there will be no significant changes in the structure which would adversely affect the cash flows of Target Companies;



- (vii) there will be no material adverse effect from service disruptions, equipment or network breakdown or other similar occurrences, wars, epidemics, terrorist attacks and other natural risks, both domestic and foreign, which will adversely affect the operations, income and expenditure of Target Companies;
- (viii) the rate of inflation will not fluctuate significantly from their projected levels;
- (ix) there will be no termination of any significant agreements or contracts from which the legal rights accruing to Target Companies, in respect of the principal activities are derived. Such agreements or contracts are assumed to be renewed based on current terms upon expiry;
- (x) there will be adequate supply of manpower and other relevant resources to Target Companies for its business activities;
- (xi) there will be no significant changes in wages, supplies, administration, overhead expenses and other costs other than those forecast and projected;
- (xii) there will be no substantial impairment to the carrying value of Target Companies' investment, property, plant and equipment and other assets;
- (xiii) the capital expenditure will be incurred as scheduled with no material changes in the expected cost or price and there will be no material acquisition or disposal of property, plant and equipment other than those planned; and
- (xiv) there will be no major legal proceedings against Target Companies which will adversely affect the activities or performance of Target Companies or give rise to any contingent liability which will materially affect the financial position or business of Target Companies.

For the purpose of determining the terminal value involved in the discounted FCFE methodology, we have used the stable growth model to compute the terminal value of Target Companies in the FYE 31 December 2029 as this usually applies to companies that are growing but at a moderate pace.

The terminal value is computed based on the FCFE for the FYE 31 December 2029 at a terminal growth rate of 2.0%, with reference to the average historical 10 years of Malaysia's inflation rate.

Based on the underlying assumptions of the Financial Projections, we have performed a sensitivity analysis on 2 key parameters, namely the cost of equity and terminal growth rate, as these assumptions have a significant impact on the valuation of Target Companies. We have varied the values adopted for the cost of equity and terminal growth rate on a 0.5% upward and downward variance, respectively, on the midpoint of the valuation to arrive at a reasonable range of the fair market value of the entire equity interest in Target Companies.

*[The rest of this page is intentionally left blank]*



The result of the sensitivity test is as shown below:

	Low case		Base case		High case	
	GS	DOT	GS	DOT	GS	DOT
Cost of equity		11.50%		11.00%		10.50%
Terminal growth rate		1.50%		2.00%		2.50%
Fair market value of the entire equity interest in Target Companies	RM11.48 million	RM5.92 million	RM12.53 million	RM6.53 million	RM13.85 million	RM7.28 million
Total value		RM17.40 million		RM19.06 million		RM21.13 million

In our analysis, we did not apply a discount for lack of marketability to the fair market value of Target Companies after considering the following:

- (i) the subjectivity inherent in the determination of illiquidity discount as the liquidity of the Comparable Companies' shares vary according to the respective trading performance and the efficiency of the respective market (i.e. Malaysia); and
- (ii) the application of a control premium, which is also highly subjective, may contra the effects of the illiquidity discount on the valuation. Notably, Panda Eco System is acquiring the entire equity interest (i.e. 100.00%) in Target Companies pursuant to the Proposed Acquisitions.

Based on the above, the fair market value of the entire equity interest in Target Companies ranges from RM17.40 million to RM21.13 million with a base case fair market value of RM19.06 million.

*[The rest of this page is intentionally left blank]*



## **8. CONCLUSION**

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgment. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our opinion on the valuation of the equity interest in Target Companies, SCS Global has considered various valuation methodologies, which are commonly used for valuation and took into consideration Target Companies' future earnings generating capabilities and its sustainability as well as various business considerations and risk factors affecting its business.

Further, the discounted FCFE methodology, to a certain extent, places reliance on the Financial Projections, which is the net result of forecasting a range of variables for significant periods of time, most of which cannot be forecast and projected with a high degree of precision. Key variables such as economic growth, demand, competition and regulatory policies are beyond the control of Target Companies. The Financial Projections are also typically very sensitive to small changes in key variables and changes in environmental and economic conditions.

As such, relatively small changes in key variables can have a significant impact on the output of the abovementioned valuation model. As a result, the range of values that can be produced by a particular valuation model can be quite wide using combinations of assumptions which individually may appear reasonable. A degree of professional judgment is required to establish the range of values in any valuation exercise.

**Based on our Evaluation, the fair market value of the entire equity interest in Target Companies ranges from RM17.40 million to RM21.13 million with a base case fair market value of RM19.06 million.**

*[The rest of this page is intentionally left blank]*





## **9. RESTRICTIONS**

Save for the purpose stated herein, this Letter cannot be relied upon by any party other than Panda Eco System. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part. We are not required to give testimony or to be in attendance in court with reference to the opinion herein provided. Neither SCS Global nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

Should SCS Global become aware of any significant change affecting the information contained in this Letter or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive or have reasonable grounds to believe that there is material omission in this Letter, we will immediately notify the Board of Panda Eco System. If circumstances require, a supplementary letter will be issued to the Board of Panda Eco System.

Yours faithfully

**SCS Global Advisory (M) Sdn Bhd**

A handwritten signature in black ink, appearing to read "Phua Yee Boon".

**PHUA YEE BOON, CFA**  
Director, Corporate Finance



**Gross Synergy Sdn. Bhd. (250837 P)**

No.19, Jalan Nirwana 35, Taman Nirwana, 68000 Ampang Selangor.  
Tel: 603-92833628 Fax: 603-92818628. Email: hr@grosssynergy.com

---

Date:

24 APR 2025

**PANDA ECO SYSTEM BERHAD**

28-1 & 30-1, Jalan PPM 13  
Plaza Pandan Malim Business Park  
75250 Melaka

Dear Sir/Madam,

**PANDA ECO SYSTEM BERHAD**

**PROPOSED ACQUISITION OF GROSS SYNERGY SDN. BHD.**

---

On behalf of the Board of Directors of GROSS SYNERGY SDN. BHD. ("GSSB") ("Board"), we report that after due inquiries during the period between 31 December 2023, being the date to which the latest audited financial statements of GSSB have been made, and up to the date of this letter, being a date not earlier than 14 days before the date of this circular in relation to the Proposed Acquisition of GSSB, that:

- I. in our opinion, the business of GSSB has been satisfactorily maintained;
- II. in our opinion, no circumstances have arisen since the latest audited financial statements of GSSB which have adversely affected the trading or the value of the assets of GSSB;
- III. the current assets of GSSB appear in the books at values which are believed to be realisable in the ordinary course of business;
- IV. there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by GSSB;
- V. there are no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in GSSB since the latest audited financial statements of GSSB; and
- VI. there has been no material changes in the published reserves or any unusual factors affecting the profits of GSSB since the date of the latest audited financial statements of GSSB.

Yours faithfully,

For and on behalf of the Board of  
**GROSS SYNERGY SDN. BHD.**

**HO SOO CHERNG**  
Director

---

**APPENDIX VI – DIRECTORS' REPORT ON THE TARGET GROUP (Cont'd)**

---



(+603) 9286 3628 (Office)  
enquiry@dayone.my  
Day One Technology Sdn. Bhd. (1067228-W)  
No.19B, Jalan Nirwana 35, Taman Nirwana, 68000 Ampang Selangor,  
Malaysia

Date: 24 APR 2025

**PANDA ECO SYSTEM BERHAD**

28-1 & 30-1, Jalan PPM 13  
Plaza Pandan Malim Business Park  
75250 Melaka

**(Attn: Board of Directors)**

Dear Sir/Madam,

**PANDA ECO SYSTEM BERHAD**

**PROPOSED ACQUISITION OF DAY ONE TECHNOLOGY SDN. BHD.**

---

On behalf of the Board of Directors of DAY ONE TECHNOLOGY SDN. BHD. ("DOTSB") ("Board"), we report that after due inquiries during the period between 31 December 2023, being the date to which the latest audited financial statements of DOTSB have been made, and up to the date of this letter, being a date not earlier than 14 days before the date of this circular in relation to the Proposed Acquisition of DOTSB, that:

- I. in our opinion, the business of DOTSB has been satisfactorily maintained;
- II. in our opinion, no circumstances have arisen since the latest audited financial statements of DOTSB which have adversely affected the trading or the value of the assets of DOTSB;
- III. the current assets of DOTSB appear in the books at values which are believed to be realisable in the ordinary course of business;
- IV. there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by DOTSB;
- V. there are no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in DOTSB since the latest audited financial statements of DOTSB; and
- VI. there has been no material changes in the published reserves or any unusual factors affecting the profits of DOTSB since the date of the latest audited financial statements of DOTSB.

Yours faithfully,

For and on behalf of the Board of

**DAY ONE TECHNOLOGY SDN. BHD.**

**DING CHEW KEAT**

Director

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board, and the Directors collectively individually accept full responsibility for the accuracy, completeness and correctness of the information contained in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading.

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS****Consent**

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

**Conflict of interest**

M&A Securities has no conflict of interest that exists or is likely to exist in its capacity as the Adviser to Panda in relation to the Proposed Acquisitions.

**3. MATERIAL LITIGATION**

As at LPD, neither Panda nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and to the best of our Board's knowledge and belief, our Board is not aware of any proceeding, pending or threatened against the Panda Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Panda Group.

**4. MATERIAL COMMITMENTS**

As at LPD, there are no material commitments incurred or known to be incurred by our Group that is likely to have an impact on our profits or NA upon becoming enforceable.

**5. CONTINGENT LIABILITIES**

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact on the ability of our Group to meet its obligations as and when they fall due.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Constitution of our Company and the Target Group;
- (ii) Audited consolidated financial statements of our Group for FYE 31 December 2022 and 2023 and the latest unaudited consolidated financial statements of our Group for the 9-months financial period ended 30 September 2024;

---

**APPENDIX VII – FURTHER INFORMATION (Cont'd)**

---

- (iii) Audited financial statements of the Target Group for FYE 2022 and 2023;
- (iv) Letter of consent and declaration of conflict of interest as referred to in **Section 2 of this Appendix**;
- (v) The SSA referred to in **Appendix II**; and
- (vi) Valuation letter by SCS Global enclosed in **Appendix V**.

---

The rest of this page is intentionally left blank

---



**PANDA ECO SYSTEM BERHAD**

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of Panda Eco System Berhad ("**Panda**" or 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 11:00 a.m. or immediately upon the conclusion of the 3<sup>rd</sup> AGM of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing the following resolutions:

**ORDINARY RESOLUTION**

- (I) PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN GROSS SYNERGY SDN BHD ("GSSB"); AND**
- (II) PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN DAY ONE TECHNOLOGY SDN BHD ("DOTSB"),**

**FROM YEOW CHENG HOCK, CHEOK KIAN HING, HO SOO CHERNG AND DING CHEW KEAT ("VENDORS"), FOR A TOTAL PURCHASE CONSIDERATION OF RM17.1 MILLION TO BE SATISFIED VIA A COMBINATION OF CASH AND ISSUANCE OF NEW ORDINARY SHARES IN PANDA ("PROPOSED ACQUISITIONS")**

**"THAT**, subject to the approvals of all relevant authorities and/or persons being obtained, approval be and is hereby given for Panda to acquire such number of ordinary shares representing the entire equity interest in GSSB and DOTSB for a purchase consideration of RM17,060,424 to be fully satisfied via cash consideration of RM11,089,276 and allotment and issuance of 19,462,674 new ordinary shares in Panda ("**Panda Shares**") at an issue price of RM0.3068 each to the Vendors, subject to and upon such terms and conditions as set out in the conditional share sale agreement dated 28 November 2024 ("**SSA**") entered into between the Company and the Vendors for the Proposed Acquisitions.

**THAT**, approval be and is hereby given to the Directors of the Company to issue and allot 19,462,674 new Panda Shares at an issue price of RM0.3068 each ("**Consideration Shares**") credited as fully paid-up upon such terms and conditions as set out in the SSA.

**THAT**, such Consideration Shares shall, upon issuance and allotment, rank equally in all respects with the existing Panda Shares, except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions, which may be declared, made or paid, for which the entitlement date is prior to the date of issuance and allotment of the Consideration Shares.

**AND THAT** the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Acquisitions with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisitions."



## BY ORDER OF THE BOARD

### LIM LI HEONG

SSM PC No. 202008001981 (MAICSA 7054716)

### WONG MEE KIAT

SSM PC No. 202008001958 (MAICSA 7058813)

Company Secretaries

Kuala Lumpur

25 April 2025

#### **Notes:**

- (1) *For the purpose of determining who shall be entitled to participate in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 19 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to participate in the EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.*
- (2) *A member entitled to attend and vote at the EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate and vote in his/her place.*
- (3) *A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (4) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), he/she may appoint at least one (1) proxy but not more than 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. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
- (6) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (7) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty four (24) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

#### *(i) In hard copy form*

*In the case of an appointment made in hard copy form, the Proxy Form must be deposited with 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.*

*(ii) By electronic form*

*The Proxy Form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiah.online>. Please follow the procedures set out in the Administrative Guide for the EGM.*

- (8) *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with 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 twenty four (24) hours before the time appointed for holding the EGM or immediately upon the conclusion of the 3<sup>rd</sup> AGM of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later, at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
- (9) *For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with 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. The certificate of appointment of authorised representative should be executed in the following manner:-*
- (i) *If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.*
- (ii) *If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-*
- (a) *at least two (2) authorised officers, of whom one shall be a director; or*
- (b) *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*
- (10) *Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.*
- (11) *Last date and time for lodging the Proxy Form is Sunday, 25 May 2025 at 11:00 a.m.*
- (12) *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*
- (a) *Identity card (NRIC) (Malaysian), or*
- (b) *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*
- (c) *Passport (Foreigner).*
- (13) *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*
- (14) *Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the EGM.*
- (15) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by poll.*

**Personal data privacy:**

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

- (i) *consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*

- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company 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.



**PANDA ECO SYSTEM BERHAD**

202201028635 (1474332-M)

(Incorporated in Malaysia)

**ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING ("EGM")**

Day and Date : Monday, 26 May 2025  
Time : 11:00 a.m. or immediately upon the conclusion of the 3rd AGM of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later  
Venue : Ames Hotel Melaka, Jalan PKAK 2, Pusat Komersial Ayer Keroh, 75450 Ayer Keroh, Melaka

---

**REGISTRATION**

The registration counter starts at 10:00 a.m. on Monday, 26 May 2025 and will remain opened until the conclusion of the EGM or such time as may be determined by the Chairman of the Meeting.

Shareholders or proxies are requested to produce/show their original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person.

Upon verification, shareholders or proxies will also be given the identification wristbands for voting purposes. No person will be allowed to enter the meeting hall without the identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.

**CORPORATE MEMBERS**

Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. ("**TIIH**") on or before the Annual General Meeting.

Attorneys appointed by power of attorney are required to deposit their power of attorney with TIIH not later than Sunday, 25 May 2025 at 11:00 a.m. to attend and vote at the EGM.

**PROXY**

The appointment of proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company at least twenty-four (24) hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:

(i) In hard copy form

By hand or post to 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.

(ii) By electronic form

You may also submit your proxy appointment electronically via TIIH Online website at <https://tiih.online>. Please do read and follow the procedures below to submit proxy form electronically.

**ELECTRONIC LODGEMENT OF PROXY FORM**

Procedure	Action
<b>i. <u>Steps for Individual Shareholders</u></b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"><li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance.</li><li>If you are already a user with TIIH Online, you are not required to register again.</li></ul>
Proceed with submission of form of proxy	<ul style="list-style-type: none"><li>After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.</li><li>Select the corporate event: <b>"PANDA ECO SYSTEM BERHAD EGM"</b>.</li><li>Read and agree to the Terms and Conditions and confirm the Declaration.</li><li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li><li>Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy.</li><li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li><li>Review and confirm your proxy(s) appointment.</li><li>Print the form of proxy for your record.</li></ul>
<b>ii. <u>Steps for Corporate or Institutional shareholders</u></b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"><li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li><li>Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects <b>"Create Account by Representative of Corporate Holder"</b>.</li><li>Complete the registration form and upload the required documents.</li><li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li><li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li></ul> <p>Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>

Proceed with submission of form of proxy	<ul style="list-style-type: none"> <li>▪ Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>▪ Select the corporate event: <b>"PANDA ECO SYSTEM BERHAD EGM"</b>.</li> <li>▪ Agree to the Terms &amp; Conditions and Declaration.</li> <li>▪ Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein.</li> <li>▪ Prepare the file for the appointment of proxies by inserting the required data.</li> <li>▪ Login to TIIH Online, select corporate event: <b>"PANDA ECO SYSTEM BERHAD EGM"</b>.</li> <li>▪ Proceed to upload the duly completed proxy appointment file.</li> <li>▪ Select "Submit" to complete your submission.</li> <li>▪ Print the confirmation report of your submission for your record.</li> </ul>
--	--

## GENERAL MEETING RECORD OF DEPOSITORS

For the purpose determining who shall be entitled to attend the EGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 19 May 2025 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

## NO RECORDING OR PHOTOGRAPHY

No recording or photography of the EGM proceedings is allowed without prior written permission of the Company.

## ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays) at:

<b>Tricor Investor &amp; Issuing House Services Sdn Bhd</b>		
Telephone Number	General Line	603-2783 9299
Fax Number	603-2783 9222	
Email	<a href="mailto:is.enquiry@vistra.com">is.enquiry@vistra.com</a>	





**PANDA ECO SYSTEM BERHAD**  
(Registration No. 202201028635 (1474332-M))  
(Incorporated in Malaysia)

**PROXY FORM**

No. of shares held	CDS Account no.
Telephone no.	Email address

\*I/We \_\_\_\_\_ NRIC/Passport no./Registration no. \_\_\_\_\_  
of \_\_\_\_\_  
being a \*member/members of PANDA ECO SYSTEM BERHAD, hereby appoint:

(1) Name of proxy : \_\_\_\_\_ NRIC/Passport no. : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

Email address : \_\_\_\_\_ Telephone no. : \_\_\_\_\_

(2) Name of proxy : \_\_\_\_\_ NRIC/Passport no. : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

Email address : \_\_\_\_\_ Telephone no. : \_\_\_\_\_

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the EGM 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 11:00 a.m. or immediately upon the conclusion of the 3<sup>rd</sup> AGM of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later, in respect of my/our shareholding in the manner indicated below:

Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

No.	Ordinary Resolution	For	Against
1.	Proposed Acquisitions		



Dated this \_\_\_\_ day of \_\_\_\_\_ 2025

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage (%)
Proxy 1		
Proxy 2		
<b>Total</b>		<b>100</b>

\_\_\_\_\_  
Signature/Seal

*\* Strike out whichever is not applicable*

*\* Manner of execution:*

- (a) If you are an individual member, please sign where indicated.*
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.*
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:*
  - (i) at least two (2) authorised officers, of whom one shall be a director; or*
  - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.*

**Notes:**

- (1) For the purpose of determining who shall be entitled to participate in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 19 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to participate in the EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.*
- (2) A member entitled to attend and vote at the EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate and vote in his/her place.*
- (3) A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), he/she may appoint at least one (1) proxy but not more than 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. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
- (6) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*

- (7) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty four (24) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:-*

(i) *In hard copy form*

*In the case of an appointment made in hard copy form, the Proxy Form must be deposited with 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.*

(ii) *By electronic form*

*The Proxy Form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide for the EGM.*

- (8) *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with 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 twenty four (24) hours before the time appointed for holding the EGM or immediately upon the conclusion of the 3<sup>rd</sup> AGM of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later, at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
- (9) *For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with 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. The certificate of appointment of authorised representative should be executed in the following manner:-*
- (i) *If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.*
- (ii) *If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-*
- (a) *at least two (2) authorised officers, of whom one shall be a director; or*
- (b) *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*
- (10) *Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.*
- (11) *Last date and time for lodging the Proxy Form is Sunday, 25 May 2025 at 11:00 a.m.*
- (12) *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*
- (a) *Identity card (NRIC) (Malaysian), or*
- (b) *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*
- (c) *Passport (Foreigner).*
- (13) *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*
- (14) *Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the EGM.*
- (15) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by poll.*



**Personal data privacy:**

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

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company 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.

*Fold this flap for sealing*

*Then fold here*

AFFIX  
STAMP

**THE SHARE REGISTRAR OF PANDA ECO SYSTEM BERHAD**

(Registration No. 202201028635 (1474332-M))

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3

Bangsar South,

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Wilayah Persekutuan, Malaysia

*1<sup>st</sup> fold here*

