

PANDA ECO SYSTEM REPORTS 1Q FY2025 NET PROFIT OF RM1.39 MILLION

KUALA LUMPUR, 26 MAY 2025 – PANDA ECO SYSTEM BERHAD <熊猫软件生态系统> (“**Panda Eco System**”), a home-grown retail management solutions provider, has announced its first quarter financial results for the three (3) months ended 31 March 2025 (“**1Q FY2025**”) today.

In 1Q FY2025, Panda Eco System and its subsidiaries (the “**Group**”) recorded revenue of RM8.00 million, a slight decrease compared to RM8.32 million in the same quarter of the previous year. The 4% year-on-year (“**YoY**”) decline was primarily due to a lower contribution from the HQ Centralised Management, Store Operations and Financial Management solution segment, which benefitted from a spillover effect in 1Q FY2024. Lower project-based revenue was offset by a significant surge in license fee and project implementation charges for 3rd party software.

Profit After Tax attributable to Owners of the Group for the quarter declined to RM1.39 million, from RM2.95 million in the corresponding period last year. The lower profitability was mainly due to higher operating expenses, particularly from increased headcount as we scale up operations in anticipation of the growth opportunities ahead. This is part of a deliberate strategy to strengthen our capabilities for future expansion. As a result, we are currently experiencing a temporary period where cost growth outpaces revenue, but we expect this mismatch to normalise as revenue catches up in the coming quarters. The quarter also saw the impact of a higher effective tax rate.

Executive Director / Chief Executive Officer of Panda Eco System, **Mr. Loo Chee Wee** <罗智伟> commented: We remain confident in our long-term growth trajectory despite cost temporarily outpacing revenue this quarter as we made a strategic decision to invest in human capital and widen our solution offerings to include external solutions with a view to capture a larger market share. This will allow us to reach new customer segments and significantly strengthen cross-selling opportunities.

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The upcoming completion of the Gross Synergy Group acquisition is expected to further intensify our cross-selling opportunities. It will reinforce our market position, expand our solutions portfolio and diversify our customer base, which are all key pillars of our strategy for sustainable growth. Additionally, leveraging on our extensive customer network, we are actively exploring new business opportunities through strategic partnerships with financial institutions and technology brands to offer innovative solutions that can add value to our customers.

While regional expansion remains part of our growth strategy, our immediate focus is on strengthening our local presence through these initiatives and fully unlocking the synergies from the Gross Synergy Group integration. By enhancing our solution offerings and deepening penetration into both existing and new customer segments, we believe the Group is well-positioned to deliver long-term and sustainable growth,” he added.

ABOUT PANDA ECO SYSTEM BERHAD

We are principally engaged in the development, customisation, implementation, and integration of Retail Management Eco-system. In addition, we are involved in the trading of third-party software and IT hardware, as well as software customisation, implementation, and integration of process control and automation solutions.

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