## PANDA ECO SYSTEM BERHAD ("PANDA" OR "COMPANY")

## VARIATION AND EXTENSION OF TIMEFRAME FOR THE USE OF PROCEEDS RAISED FROM INITIAL PUBLIC OFFERING ("IPO")

*(Unless otherwise defined in this announcement, all terms used herein shall have the same meaning as those defined in the Prospectus of Panda dated 8 November 2023 in relation to the IPO ("**Prospectus**"))*

### 1. INTRODUCTION

Reference is made to the Company's Prospectus dated 8 November 2023 that was issued in conjunction with the listing and quotation of its entire share capital on the ACE Market of Bursa Malaysia Securities Berhad on 23 November 2023. The Company raised gross proceeds of approximately RM17.49 million from its Initial Public Offering ("**IPO**") ("**IPO Proceeds**").

Subsequently, the Company had on 28 August 2025 announced the variation and extension of timeframe for the utilisation of RM1.06 million of the IPO Proceeds initially earmarked for the establishment and enhancement of service hub for Northern region of Peninsular Malaysia, East Malaysia and Johor ("**Announcement on the First Variation and Extension**").

The Board of Directors of Panda ("**Board**") wishes to announce that it has deliberated and resolved to approve:

(i) variation of the utilisation of RM1.89 million of IPO Proceeds allocated for regional expansion in ASEAN countries to establishing additional service hub within Malaysia, and extension of the timeframe for an additional 12 months; and

(ii) extension of the timeframe for the utilisation of RM3.00 million of IPO Proceeds allocated for headquarters' ("**HQ**") expansion, for an additional 12 months,

(collectively referred to as "**2nd Variation and Extension**").

### 2. DETAILS OF THE 2nd VARIATION AND EXTENSION

As at 19 August 2026, being the latest practicable date prior to the date of this announcement ("**LPD**"), the Company and its subsidiaries ("**the Group**") have utilised approximately RM12.56 million from the total IPO Proceeds and a balance amount of approximately RM4.93 million has yet to utilised from the IPO Proceeds ("**Unutilised IPO Proceeds**").

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## 2. DETAILS OF THE 2nd VARIATION AND EXTENSION (CONTINUED)

The details of the IPO Proceeds and the 2nd Variation and Extension are set out as follows:

| Purpose | (A) Proposed utilisation(2) RM'000 | (B) Actual utilisation as at LPD RM'000 | (C) = (A) – (B) Unutilised IPO Proceeds as at LPD RM'000 | Variation RM'000 | Revised utilisation of the IPO Proceeds RM'000 | Tiimeframe for utilisation(2) | Revised timeframe for utilisation due to Variation |
|---|---|---|---|---|---|---|---|
| Research and development of new solutions | 2,712 | 2,712 | - | - | 2,712 | Within 36 months(3) | - |
| Business expansion | | | | | | | |
| • Regional expansion in ASEAN countries | 1,890 | - | 1,890 | (1,890) | - | Within 36 months(3) | - |
| • Establishing additional service hub within Malaysia | **2,634** | **2,598** | **36** | **1,890** | **4,524** | **Within 36 months(3)** | **Within 48 months(3)** |
| ➢ Staff cost allocated to East Malaysia and Johor | 412 | 412 | - | - | 412 | - | - |
| ➢ Staff cost allocated to Central region of Peninsular Malaysia | 1,791 | 1,791 | - | 1,890 | 3,681 | - | - |
| ➢ Rental of service hub for Central region of Peninsular Malaysia | 231 | 195 | 36 | - | 231 | - | - |
| ➢ Purchase of office equipment for Central region of Peninsular Malaysia | 200 | 200 | - | - | 200 | - | - |
| Expansion of customer technical support department | 1,680 | 1,680 | - | - | 1,680 | Within 24 months(3) | - |
| HQ expansion | 3,000 | - | 3,000 | | 3,000 | Within 36 months(3) | **Within 48 months(3)** |
| Working capital | 2,833 | 2,833 | - | - | 2,833 | Within 24 months(3) | - |
| Estimated listing expenses | 2,736 | 2,736 | - | - | 2,736 | Within 1 month(3) | - |
| | **17,485** | **12,559** | **4,926** | **-** | **17,485** | | |

(1) The total variation as percentage of the total IPO Proceeds is 10.81%.

(2) The utilisation of IPO proceeds and timeframe for utilisation should be read in conjunction with the Company's Prospectus dated 8 November 2023, together with the Announcement on the First Variation and Extension.

(3) From the date of Listing on 8 November 2023.

## 3. RATIONALE

After careful deliberation of the operational needs of the Group, the Board is of the view to vary the utilisation of the IPO proceeds by deferring the Group's regional expansion plans in order to prioritise the strengthening of the Group's domestic position and operational capabilities within Malaysia.

The variation reflects Management's assessment that focusing the Group's resources on expanding local market share, strengthening operational infrastructure, and consolidating the Group's core business operations would better position the Group for sustainable growth prior to embarking on regional expansion initiatives.

Following the successful mergers and acquisitions of Gross Synergy Sdn. Bhd. and Day One Technology Sdn. Bhd. ("**Acquisitions**"), the Group inherited a substantial customer base concentrated heavily in the Central region and East Coast of Malaysia, along with an expansion of human capital. This reallocation of RM1.89 million from regional expansion is to fund the expanded staff costs required to fully integrate and retain this workforce with the current workforce in the Central region service hub.

By expanding the headcount within our existing Central region service hub, rather than incurring the high overheads associated with establishing new physical offices, the enlarged Central workforce will serve as a multi-region hub to efficiently manage, service, and support customers across the Central region and East Coast of Malaysia, while seamlessly extending remote and on-site coverage to the Northern Region from a single centralised base.

This enhanced operational presence is expected to improve customer engagement, strengthen service responsiveness, enhance manpower deployment efficiency, and support the Group's efforts to further penetrate and capture additional market share from the Northern Region and East Coast of Malaysia.

In addition to the variation in the utilisation of proceeds, the Board has decided to extend the implementation timeframe of the Utilisation of IPO Proceeds allocated for its business expansion by establishing additional service hubs within Malaysia and headquarters' expansion for an additional 12 months, extending the total timeframe up to 48 months from the date of listing of the Company.

Throughout 2025, the Group's core focus and executive resources were heavily occupied with executing and successfully completing the Acquisitions. Consequently, active site surveys and location planning for the HQ expansion was deferred as the Group prioritised the corporate transition. The additional 12 months extension provides the Group with the necessary runway to properly evaluate the expanded spatial and infrastructure needs of the HQ to effectively support the Group.

Premised on the above, the Board is of the view that it is in the best interest of the Group to undertake the 2$^{nd}$ Variation and Extension.

## 4. EFFECT OF THE 2nd VARIATION AND EXTENSION

The 2nd Variation and Extension will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company nor any immediate effect on the net assets per share, gearing and earnings per share of the Group. The 2nd Variation and Extension is expected to contribute positively to the future earnings of the Group as and when the benefits of the revised use of the proceeds are realised.

## 5. APPROVALS REQUIRED

The 2nd Variation and Extension is not subject to any regulatory authorities' or shareholders' approval. Nevertheless, the Board shall continue to be vigilant and prudent in managing the IPO Proceeds and will continue to disclose the status of the use of proceeds in the Group's quarterly results and annual reports until the IPO Proceeds are fully utilised.

## 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, Chief Executive of the Company and/or persons connected with them are deemed interested, direct and indirect, in the 2nd Variation and Extension.

## 7. DIRECTORS' STATEMENT

The Board, after careful deliberation and having considered all aspects of the 2nd Variation and Extension, is of the opinion that the 2nd Variation and Extension is in the best interest of the Group.

This announcement is dated 26 August 2026.