



**PANDA ECO SYSTEM BERHAD**

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



# EXPLORING INNOVATIONS UNLOCKING TOMORROW

ANNUAL REPORT 2024

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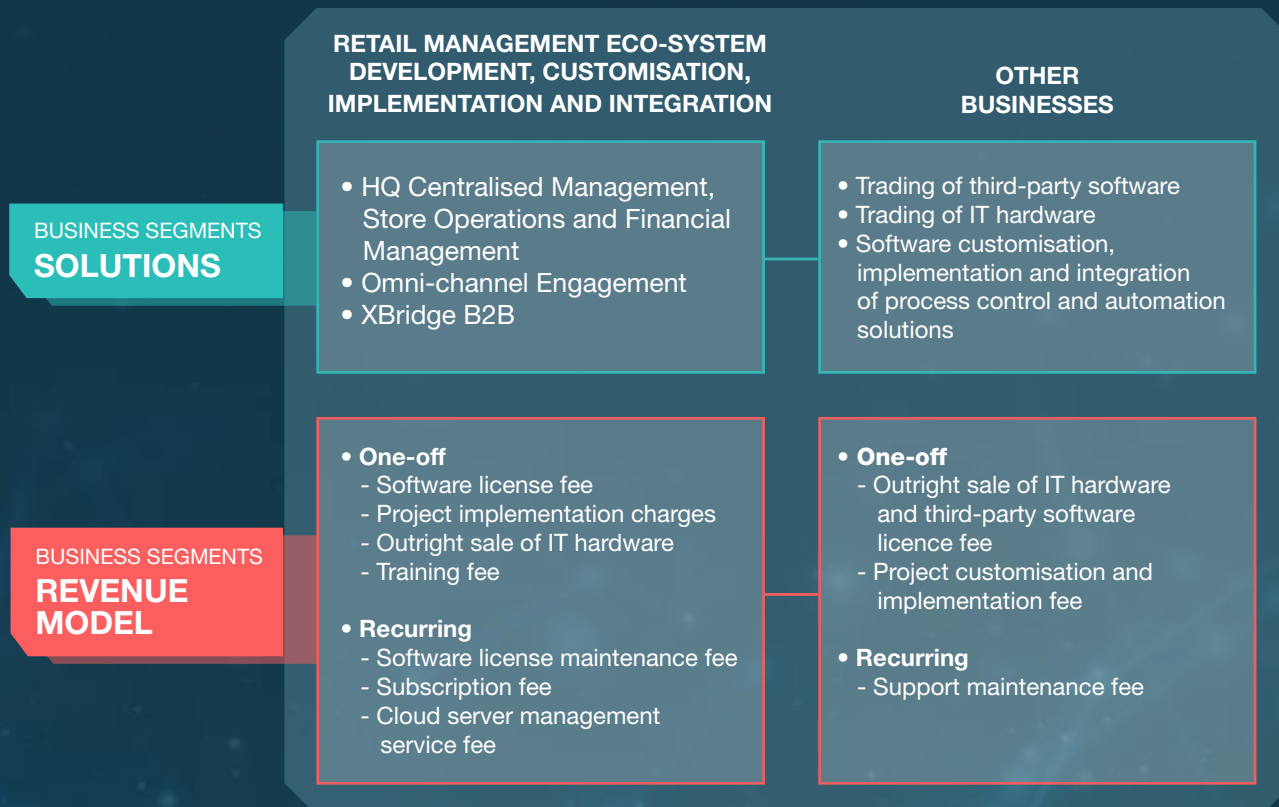
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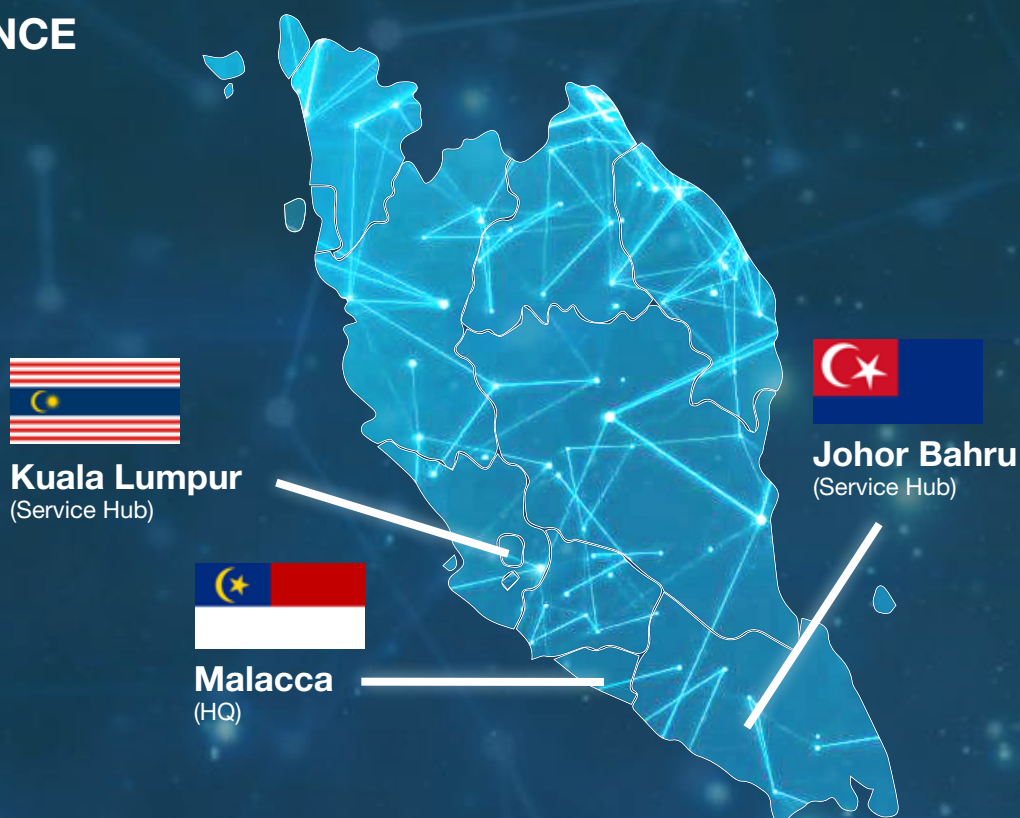


# PANDA ECO SYSTEM AT A GLANCE

## OUR BUSINESS MODEL



## OUR PRESENCE



# PANDA ECO SYSTEM AT A GLANCE

## (CONT'D)

### BUSINESS SEGMENTS

### CUSTOMER SEGMENTS

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

- Retailers particularly:
  - Grocery retail stores including hypermarkets, supermarkets and mini markets
  - Convenience stores
  - General merchandise retailers including houseware and kitchenware retailers and departmental stores
  - Specialty stores such as stationery and baking ingredient product stores
- Retail product suppliers
- F&B service providers
- Companies in other industries including trading and manufacturing industries (for the trading of third-party software and IT hardware, and software customisation, implementation and integration of process control and automation solutions)



**Kota Kinabalu**  
(Service Hub)



**Kuching**  
(Service Hub)

# CORPORATE OVERVIEW



## Our History Goes A Long Way

The idea of developing a comprehensive Retail ERP solution that works seamlessly for modern retailing struck the minds of the co-founders in 2003. The thought was soon put into action with the establishment of KC Software House in Melaka. The partnership was subsequently transformed into a private limited company named Panda Software House Sdn Bhd in 2010 where “Panda” was officially adopted as the brand of the company’s product.



### Passion

To provide seamless and efficient retail management solutions for retailers.



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## Our Commitment To Excellence

The commitment to build a efficient Retail Management Eco-system for retailers propels our development team to be forward thinking and innovative. The passion to perfecting our solution has positioned us to stay ahead of our competitors in terms of technology advancement. We are known in the market as the expert in handling retail chain store operation particularly Supermarket cum General Merchandise Store as more than 90% of our customers are in such segment.



## Our Culture And Core Values

- Compliance to Confidentiality
- Disruptive Innovation
- Culture of Excellence
- Diversity and Inclusion
- Professional and Ethical
- Customer Centric
- Invest Beyond Value
- Drive Revenue Growth



## Delivering Service Excellence Is In Our DNA

Panda Eco System is headquartered in Melaka, the historical city of Malaysia. To ensure service excellence is delivered to our customer, we have setup 4 service hubs at Kuala Lumpur, Johor Bahru, Kuching and Kota Kinabalu to support them.

We employ a team of more than 70 highly trained professionals and dedicated engineers equipped with skillsets, domain knowledge and experiences to support our enterprise customers in achieving higher productivity via automation.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Yap Chee Kheng**

*Independent Non-Executive Chairman  
(Resigned on 1 December 2024)*

**Loo Chee Wee**

*Chief Executive Officer/Executive Director*

**Tay Kheng Seng**

*Chief Technology Officer/Executive Director*

**Chan Kam Chiew**

*Independent Non-Executive Director*

**Dato' Leanne Koh Li Ann**

*Independent Non-Executive Director*

**Siew Suet Wei**

*Independent Non-Executive Director*

### AUDIT AND RISK MANAGEMENT COMMITTEE

**Chan Kam Chiew** (*Chairman*)

**Dato' Leanne Koh Li Ann**

**Siew Suet Wei**

### NOMINATION COMMITTEE

**Siew Suet Wei** (*Chairperson*)

**Dato' Leanne Koh Li Ann**

**Chan Kam Chiew**

### REMUNERATION COMMITTEE

**Dato' Leanne Koh Li Ann** (*Chairperson*)

**Chan Kam Chiew**

**Siew Suet Wei**

### COMPANY SECRETARIES

**Lim Li Heong**

MAICSA No: 7054716

SSM PC No: 202008001981

### Wong Mee Kiat

MAICSA No: 7058813

SSM PC No: 202008001958

### REGISTERED OFFICE

Level 5, Tower 8, Avenue 5, Horizon 2

Bangsar South City

59200 Kuala Lumpur

Telephone: +603-2280 6388

Facsimile: +603-2280 6399

Email: listcomalaysia@acclime.com

### SPONSOR

**M & A Securities Sdn Bhd**

45 & 47, Levels 3 and 7

The Boulevard

Mid Valley City

59200 Kuala Lumpur

Telephone: +603-2284 2911

### COMPANY WEBSITE

[www.panda-eco.com](http://www.panda-eco.com)

### HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS

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

Jalan PPM 13

Plaza Pandan Malim Business Park

75250 Melaka

Telephone: +606-332 3966

Email: [info@pandasoftware.my](mailto:info@pandasoftware.my)

Website: <https://panda-eco.com>

### AUDITORS

**Crowe Malaysia PLT**

201906000005 (LLP0018817-LCA) &

AF 1018

Chartered Accountants

52, Jalan Kota Laksamana, 2/15

Taman Kota Laksamana, Seksyen 2

75200 Melaka

Telephone: +606-282 5995

Facsimile: +606-283 6449

### SHARE REGISTRAR

**Tricor Investor & Issuing House  
Services Sdn Bhd**

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Wilayah Persekutuan, Malaysia

Telephone: +603-2783 9299

Facsimile: +603-2783 9222

### STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

Securities Berhad

Stock Name : PANDA

Stock Code : 0290

### PRINCIPAL BANKER

**Public Islamic Bank Berhad**

17, 19 & 21 Jalan Rahmat 2

Taman Malim Jaya

75250 Melaka

Telephone: +606-334 6397

Facsimile: +606-334 6412

# CORPORATE STRUCTURE



## PANDA SOFTWARE HOUSE SDN. BHD.

Registration No. 200901011049  
(854073-K)

100%



## KK COMPUTER SDN. BHD.

Registration No. 199701026999  
(442497-A)

100%



## REXBRIDGE SDN. BHD.

Registration No. 201401030716  
(1106802-H)

100%



## 020 DIGITAL SDN. BHD.

Registration No. 202001021320  
(1377640-W)

100%



## CENTRA SOLUTIONS SDN. BHD.

Registration No. 202401047153  
(1592999-K)

51%



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# IN THE NEWS



## Panda Eco System Reports RM14.7 Million Revenue

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

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

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

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

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

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

*Date of news: 22 August 2024*

## DISCOVERY

[See More](#)



**Panda to capitalise on new opportunities including e-invoicing**

*Date of news: 25 May 2024*



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

*Date of news: 29 November 2024*





# KEY CORPORATE MILESTONES



PANDA ECO SYSTEM BERHAD

## Established KC Software House

The entity was co-founded in Melaka by 2 partners who share the same vision and possess the passion to develop a Retail Management Eco-system that provides efficient retail management solutions for retailers.



2003

2005



## 1st customer – Fresco Supermarket

The pilot version of KC POS system was released and implemented in Fresco Supermarket, Melaka. Fresco remains our loyal customer since the 1st day of deployment.

## 1st chain store customer – Hero Supermarket

The management of Hero, best known as the founders of the Giant Hypermarket chain from which they divested in 1999, decided to convert their POS system to KC POS for their operations.



2008

2010

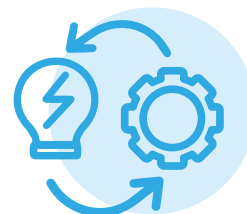


## Awarded MSC Status

Panda Software was incorporated in 2009 and Panda ERP was adopted as an our brand. Panda Software House was awarded the MSC Pioneer Status (currently known as (Malaysia Digital Status) Company by MDEC in 2010.

## Implemented for 30th customer

Panda ERP Solution successfully deployed for the 30th customer. We earned the recognition of being the expert in handling retail operations as most of our clients are grocery chain store operators.



2013

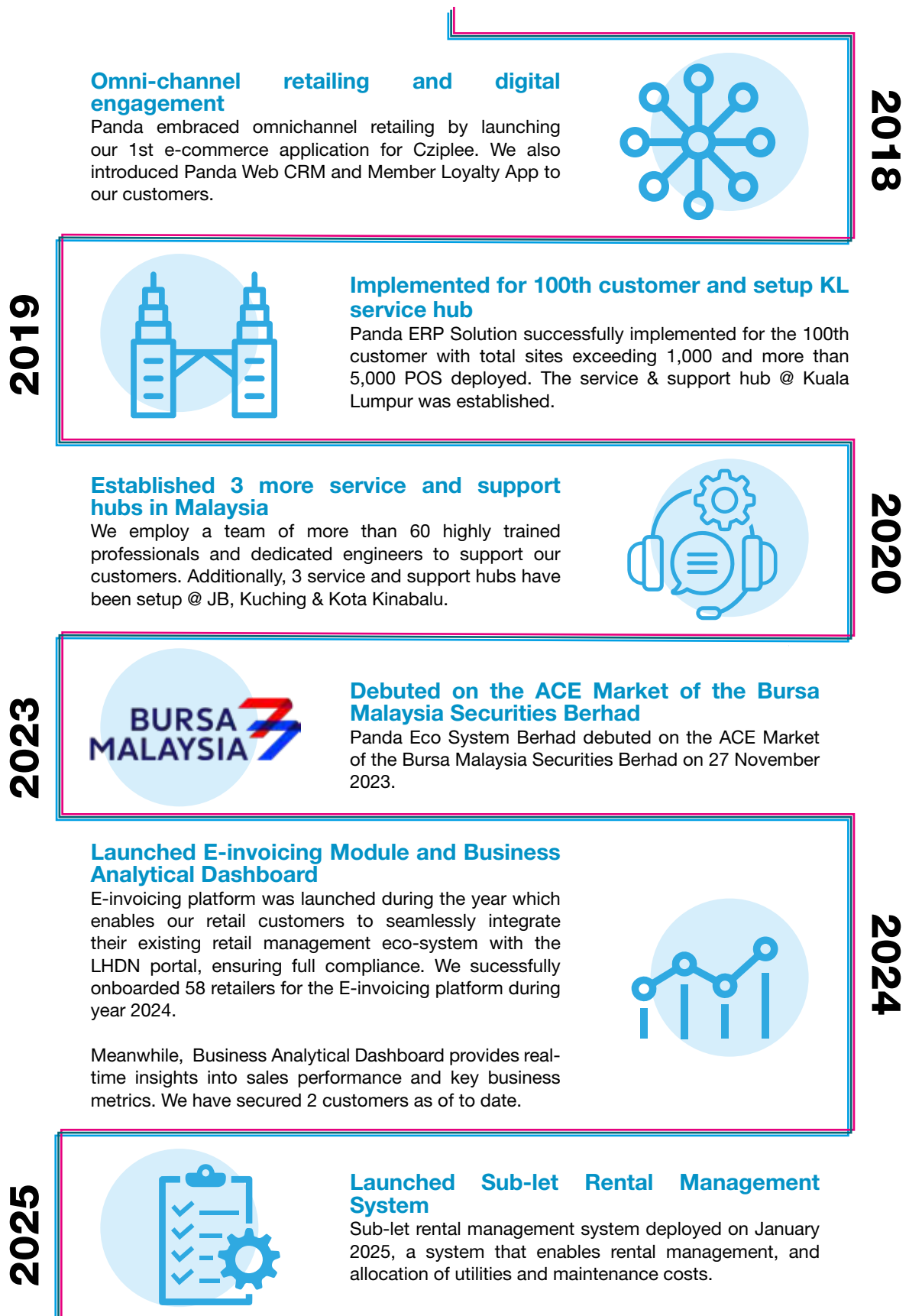
2015



## Malaysia GST certified solution for POS

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

# KEY CORPORATE MILESTONES (CONT'D)



# 5-YEAR FINANCIAL HIGHLIGHTS

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

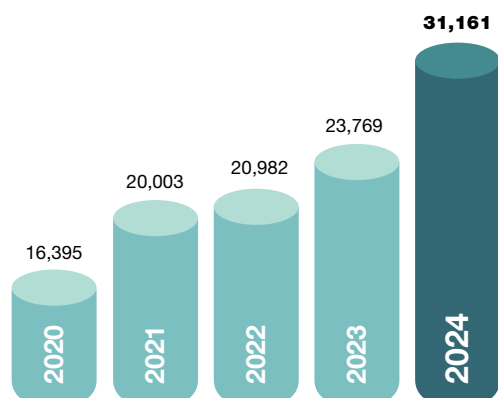
\* Adjusted for the 671,187,000 Shares in issued pursuant to the completion of the Initial Public Offering ("IPO")

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

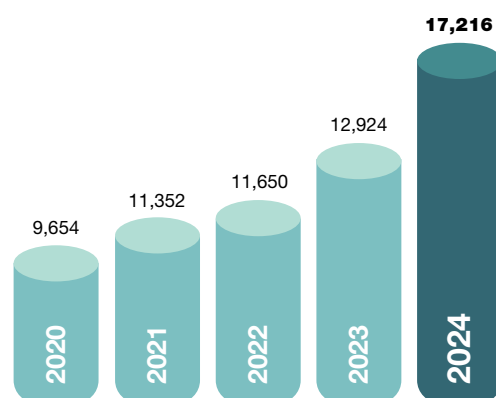


# 5-YEAR FINANCIAL HIGHLIGHTS (CONT'D)

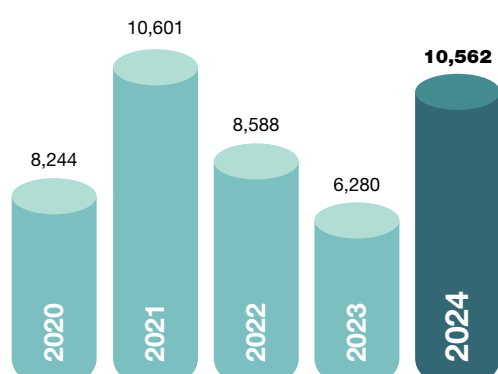
## REVENUE (RM'000)



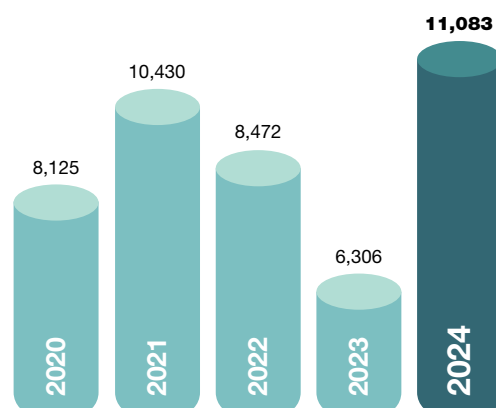
## GROSS PROFIT (RM'000)



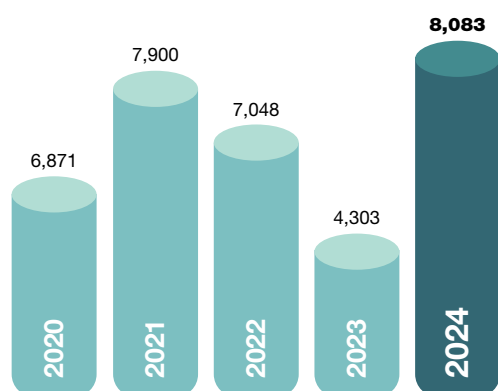
## EBITDA (RM'000)



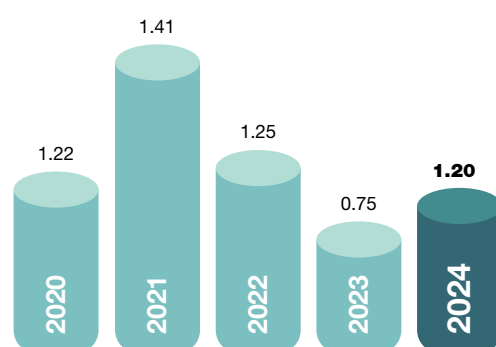
## PBT (RM'000)



## PAT (RM'000)



## EPS (SEN)



# DIRECTOR'S PROFILE

## Loo Chee Wee

Chief Executive Officer/Executive Director

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- None



**Mr. Loo** is our substantial shareholder and Chief Executive Office/Executive Director. He is in charge of planning and executing long-term objectives for our Group, managing our sales and marketing activities including identifying markets and business opportunities and approaching potential customers, and managing and maintaining key customer relationships.

He graduated from Stockton University, USA (formerly known as Richard Stockton State College) with a Bachelor of Arts (Computer Science) and Bachelor of Arts (Finance) in 1992.

He began his career in August 1993 when he joined Ban Hin Lee Bank Berhad (presently under the CIMB Group Holdings Berhad group of companies) as Credit Analyst. As Credit Analyst, he was responsible for assisting in screening loan requests and evaluating clients' financial information and risk ratios. In December 1994, he was promoted to Head of Credit of the Melaka branch, where he was in charge of overseeing and managing the credit department as well as recommending loan applications for approval.

He was subsequently transferred to the Miri Branch in October 1996 where he was designated as Assistant Branch Manager. During his tenure, he oversaw and monitored the daily business operational activities and managed employees based at the Miri branch office. In December 1997, he assumed the position of Relief Assistant Branch Manager for the Central and Southern regions of Peninsular Malaysia (including Kuala Lumpur, Selangor, Negeri Sembilan, Melaka and Johor). As a Relief Assistant Branch Manager, he was tasked to assume the functional responsibilities as an interim Assistant Branch Manager of branch offices in the Central and Southern regions of Peninsular Malaysia.

In September 2000, he joined Jasin Shopping Centre Sdn Bhd (his family-owned company) as Manager and was later promoted to Director in September 2003. During his tenure, he was in charge of overseeing the daily operational activities of the company's grocery retail outlet including management of supply chain and inventory levels, overseeing IT functions, monitoring of financial performance and cashflow as well as developing sales and marketing strategies.

In May 2001, he set up Fimmex Trading Sdn Bhd, a company involved in the trading of consumable products and was appointed as Director. He later sold his equity interest in Fimmex Trading Sdn Bhd.

Through his experience in Jasin Shopping Centre Sdn Bhd, he developed a retail management solution that was tailored for grocery retailers. As such, in February 2003, he left his role as Director in Fimmex Trading Sdn Bhd to set up KC Software House, a partnership, with our Chief Technology Officer and Executive Director, Tay Kheng Seng. He was responsible for the business development and marketing of solutions in KC Software House, and contributed to the development of our retail management solution by providing his insights on the needs and requirements of grocery retailers. The business of KC Software House was gradually transferred to Panda Software House Sdn Bhd from 2009, and the business partnership of KC Software House ceased in June 2011. Loo Chee Wee was appointed as Executive Director of Panda Software House Sdn Bhd in April 2009 where he focused on the business development of the company. At the same time, he took on a non-executive director role in Jasin Shopping Centre Sdn Bhd until his resignation in October 2022. Loo Chee Wee also co-founded Rexbridge Sdn Bhd in August 2014 and 020 Digital Sdn Bhd in July 2020.

# DIRECTOR'S PROFILE (CONT'D)

## Tay Kheng Seng

Chief Technology Officer/Executive Director

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- None



**Mr. Tay** is our substantial shareholder, Chief Technology Officer/Executive Director. He is in charge of managing and leading the Software Development department which is responsible for the software development and maintenance of our Group's Retail Management Eco-system. He also communicates with relevant departments to provide solutions for feedback received from customers.

He graduated from University Sains Malaysia with a Bachelor of Applied Science in 1993.

Upon graduation, he began his career with Likom Computer System Sdn Bhd as Production Engineer in October 1993. During his tenure, he was involved in the management and maintenance of machinery and equipment as well as enhancement of operational efficiency in terms of production workflows and spaces. He left Likom Computer System Sdn Bhd in June 1994 and subsequently joined Aiwa Electronics (Malaysia) Sdn Bhd as Officer, Purchasing Department in July 1994, where he was responsible for the sourcing and procurement of raw materials.

In August 1997, he co-founded KK Computer Sdn Bhd as its Managing Director with his spouse, Bong Kok Choo. KK Computer Sdn Bhd was then involved in the trading of IT hardware and third-party software. In February 2003, he co-founded KC Software House, a business partnership, with Loo Chee Wee, and was instrumental in the development of our retail management solutions.

The business of KC Software House was gradually transferred to Panda Software House Sdn Bhd from 2009, and the business partnership of KC Software House ceased in June 2011. Tay Kheng Seng was appointed as Executive Director of Panda Software House Sdn Bhd where he continued to be in charge of the development of our Retail Management Eco-system. He also co-founded Rexbridge Sdn Bhd in August 2014 and 020 Digital Sdn Bhd in July 2020.

Tay Kheng Seng is the spouse of Bong Kok Choo, our Business Development Director of KK Computer Sdn Bhd.



# DIRECTOR'S PROFILE (CONT'D)

## Chan Kam Chiew

*Independent Non-Executive Director*

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- Chairman of the Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee



**Mr. Chan** qualified as a Certified Public Accountant and is a member of the Malaysian Institute of Certified Public Accountants ("MICPA"). He is also a member of the Malaysian Institute of Accountants ("MIA"), the Institute of Corporate Directors Malaysia and the MFRS Application and Implementation Committee of the Malaysian Accounting Standards Board ("MASB").

He began his career with Peat Marwick (now known as KPMG PLT ("KPMG")) in Malaysia as an Audit Assistant in December 1984. He then served in KPMG San Francisco office in USA from September 1991 to April 1993. Upon his return to Malaysia, he was promoted to Audit Manager of KPMG in May 1993. Subsequently, he became a partner in the Assurance services of KPMG in Malaysia from October 1998 until his retirement in December 2020.

He has more than 36 years of experience in providing audit and business advisory services to a wide range of public listed companies and multinational corporations in various industries, which included those in automotive, real estate investment trust, property development and construction, oil and gas, electronics and information technology, freight and shipping, industrial manufacturing, food and beverages, retail and consumer and banking and financial services.

In addition to statutory audits, he had led various engagements that included initial public offerings and reverse takeovers and mergers, local and cross border acquisitions, financial due diligence reviews, as well as provided financial advisory services and review of policies and procedures.

He had served on the Board of MASB for 2 terms from May 2012 to April 2018. He had also served as a member and chaired a few working groups of MASB. He was an examiner for the Regulatory and Financial Reporting Framework examination for the MICPA.

At present he is the Group Finance Director of Can-One Berhad and Box-Pak (Malaysia) Berhad, both of which are listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

He is also an Independent Non-Executive Director of Kerjaya Prospek Group Berhad and Well Chip Group Berhad, both of which are listed on the Main Market of Bursa Securities and LGMS Berhad which is listed on the ACE Market of Bursa Securities.

# DIRECTOR'S PROFILE (CONT'D)

## Dato' Leanne Koh Li Ann

*Independent Non-Executive Director*

**Date of Appointment:** 20 January 2023

### **Membership of Board Committee:**

- Chairperson of the Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Nomination Committee



**Dato' Leanne** is a member of the Chartered Tax Institute of Malaysia and the International Fiscal Association. She graduated from the Australian National University, Australia with a Bachelor of Commerce and a Bachelor of Laws in April 1997. Upon her graduation, she chambered with Lee Hishammuddin Allen & Gledhill (formerly known as Lee Hishammuddin) ("LHAG") and she was called to the Malaysian Bar in February 1998. She worked as a Legal Assistant in the litigation department and the corporate department at LHAG until February 2000, when she resigned from LHAG and took a break from her career.

In June 2000, she joined KPMG Tax Services Sdn Bhd as Tax Consultant. She was promoted to Executive Director and Partner of the company in May 2006. She has over 20 years of experience in providing corporate tax advisory services for domestic and international transactions, including mergers and acquisitions, inbound and outbound investments, initial public offerings and cross border turnkey construction contracts.

Her portfolio of clients included a wide range of public listed companies and multinational corporations in various industries including those in automotive, real estate investments trust, property development and construction, oil and gas, freight and shipping, ports, industrial manufacturing, food and beverages, hospitality, plantation, securities companies, banking and financial services.

In September 2020, she joined Mah-Kamariyah & Philip Koh ("MKP") as Partner in the legal firm's corporate, merger and acquisition department where she provided advice on tax related matters in corporate and mergers and acquisitions as well as advice on insolvency, corporate and commercial restructurings. In January 2023, she resigned from MKP.

She is a director of DL Partners Sdn Bhd, which provides business management consultancy services in relation to mergers and acquisition, corporate reorganisation, financial restructuring, capital fundraising via debt and equity, arrangement of financing for acquisitions, strategic business consulting and tax advisory. In addition, she is an Independent Non-Executive Director of Engtex Group Berhad and Inta Bina Group Berhad, both of which are listed on the Main Market of Bursa Securities.



# DIRECTOR'S PROFILE (CONT'D)

## Siew Suet Wei

*Independent Non-Executive Director*

**Date of Appointment:** 20 January 2023

**Membership of Board Committee:**

- Chairperson of the Nomination Committee
- Member of Audit and Risk Management Committee
- Member of Remuneration Committee



**Ms. Siew** obtained her professional secretarial degree from the Institute of Chartered Secretaries and Administrators (United Kingdom) in 1993 and was admitted as an Associate Member of the Malaysian Association of Institute of Chartered Secretaries and Administrators (MAICSA) in 1995. She is currently a Fellow Member of the MAICSA and a Chartered Governance Professional.

Ms. Siew was the Group Company Secretary of a property development company listed on the Main Market of Bursa Securities from 1993 to 2009 advising the Board of Directors in corporate governance and compliance issues, particularly on the Listing Requirements of Bursa Securities and Companies Act 2016.

She has more than 30 years of experience in corporate secretarial and advisory work as well investor relation activities. During the course of her career, she has been involved in various IPO exercises, corporate arrangements, fund raising and merger and acquisition activities.

Ms. Siew is currently the Managing Director of a corporate secretarial firm in Kuala Lumpur with a portfolio of clients including companies listed on Bursa Securities.



# KEY SENIOR MANAGEMENT'S PROFILE



**Wang Chia Boon**

*Group General Manager*



**Mr. Wang** is the Group General Manager. He works with our Chief Executive Officer and Chief Technology Officer in planning the overall organisational strategy, maintaining the business sustainability, and overseeing the day-to-day operations in developing business growth opportunities for the Company. He manages company targets for several departments, working with the department heads of Customer Technical Support, Software Development Engineering, Business Development and Project Delivery teams to deliver their business goals. He is also leading our Group's human resources and administrative functions.

He graduated from the University of Portsmouth, UK with a Bachelor of Science (Honours) in Computing in 1998.

He began his career at Sunway College Sdn Bhd as a lecturer in September 1998 where he lectured for computer science degree courses and supervised the students' final year projects. In December 1999, he left Sunway College Sdn Bhd and in the same month, he joined Star Cruises Sdn Bhd as IT Officer (Acting IT Manager), where he managed the full-site of IT-related functions, which included the IT infrastructure, network, hospitality solution, membership system, and the management information system of fleet IT. In December 2000, his contract ended and he subsequently left Star Cruises Sdn Bhd.

In January 2001, he joined Shell Services International Sdn Bhd (a subsidiary of Shell group of companies) as Integrated Management Group Technical Lead-Remote Access Services (RAS), where he provided global IT support in telecommunication, remote access, and Microsoft client-server services to Shell group with system environment scope comprising over 110,000 users.

He was subsequently transferred to Shell Information Technology International Sdn Bhd (a subsidiary of the Shell group of companies) with a promotion in January 2004. He assumed the role of Group Infrastructure Development Engineer-Remote Access Services. During his tenure, he was in charge of collecting, processing and analysing business unit requirements, planning, technical specification design, and implementation of system architecture / framework for remote access services.

In February 2007, he was promoted as Business Application Management Specialist of Shell Malaysia Trading Sdn Bhd (a subsidiary of the Shell group of companies), where he managed the functional design, application management, and end-to-end service delivery of the Shell Downstream Terminal Automation System implemented in the Shell depots in Middle East, South East Asia and Oceania.

In March 2012, he was promoted and transferred to Shell Business Centre Sdn Bhd (a subsidiary of the Shell group of companies), where he assumed the Global IT Service Manager position. During his tenure, he oversaw the service delivery of cloud-based services known as Shell SharePoint & Most Confidential SharePoint Services to internal and external users of the Shell group.

In May 2020, he joined Panda Software House Sdn. Bhd. and assumed his present role as the Group General Manager.

# KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)



**Ms. Bong** is the Business Development Director of KK Computer Sdn Bhd. She oversees our Integrated Technology Services department and our Procurement Office, and is in charge of handling procurement, liaising with vendors, customer training and relationship management, primarily for the IT hardware, infrastructure and third-party solutions purchased.

She completed a Bookkeeping – Intermediate Stage course with the Budi Institute, Malaysia in 1994. In 2020, she began pursuing her Bachelor of Accounting at Open University, Malaysia and is expected to graduate by 2026.

Upon graduating from secondary school in 1989, she began her career with Syarikat Chong Trading as an Account and Admin Clerk in July 1990, where she was responsible for handling accounting and administrative tasks, managing inventory as well as providing after-sales support services. In April 1993, she left Syarikat Chong Trading and joined Likom Computer System Sdn Bhd as Clerk in the same month. During her tenure there, she handled administrative functions as well as assisted the engineering department in the application for International Organisation for Standardisation (ISO) certification.

In December 1995, she resigned from Likom Computer System and subsequently joined Hakata Communication Sdn Bhd as Secretary in January 1996, where she was responsible for handling administrative tasks, including organising schedules, and managing payroll and staff databases. In January 1997, she was promoted to Head of Account and Admin department, where she was in charge of overseeing the Account and Administrative Department of the company, and payroll processing.

In August 1997, she co-founded KK Computer Sdn Bhd with her spouse, Tay Kheng Seng and in October 1997, she assumed the position as Director of Finance and Administration of KK Computer Sdn Bhd, where she assisted in managing the administrative functions of the company, handling customer complaints and maintaining customer and supplier relationships. In December 2009, she was subsequently redesignated to her present position as Business Development Director of KK Computer Sdn Bhd.

Bong Kok Choo is the spouse of Tay Kheng Seng, our Chief Technology Officer/Executive Director.



# KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)



**Ms. Keow** is the Director of IT Services and Operations of Panda Software House Sdn Bhd. She is in charge of the overall operations of the Panda Inventory Management solution, Finance solution and Omni-channel Engagement solution, which includes developing and executing project delivery, establishing and implementing standard business operating processes.

She graduated with a Bachelor of Science in Human Psychology from the Liverpool John Moores University, UK in 2008.

She began her career with Carlson Marketing Group Sdn Bhd (which has since been acquired by Aimia Proprietary Loyalty Sdn Bhd) as a Customer Service and Operation Executive in July 2008. During her tenure, she was responsible for identifying and liaising with vendors and suppliers for reward fulfilments, handling procurement of supplies, as well as providing customer sales support services. In May 2009, she was transferred to the Business Management Department and assumed the position of Account Executive, where she undertook marketing consultancy projects which involved liaising with media agencies and analysing clients' competitors and their marketing activities and strategies. She was promoted to Assistant Account Manager and subsequently to Account Manager in April 2011 and January 2012, respectively.

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

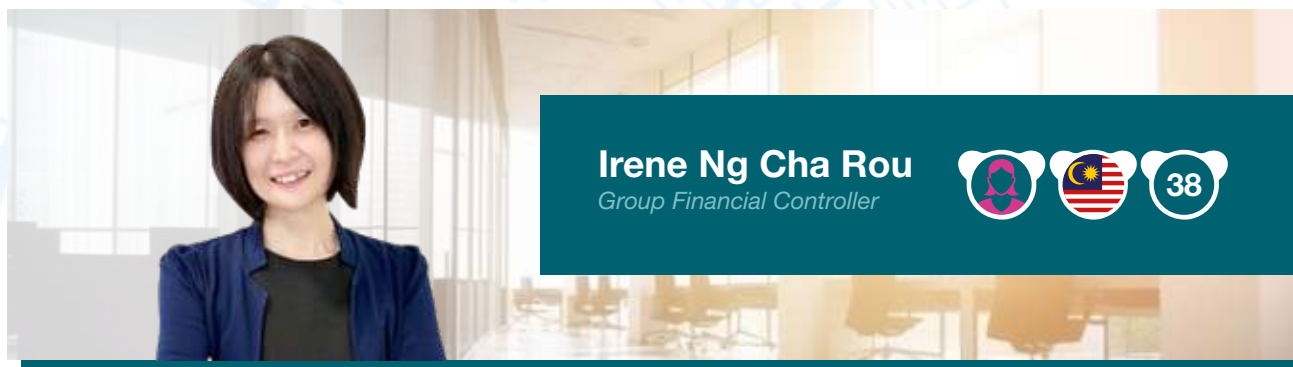
In November 2014, she joined Star Solutions (M) Sdn Bhd as Campaign Manager, where she was in charge of managing and overseeing marketing campaigns for various companies.

In May 2016, she joined The Food Purveyor Sdn Bhd (formerly known as Village Grocer Holdings Sdn Bhd) as Marketing Operations Manager. In November 2016, she was redesignated to Marketing Manager. During her tenure, she spearheaded the launch of a digital loyalty application, managed marketing, branding, advertising, promotional, public relations and events related activities for the group.

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



# KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)



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

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

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

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

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

## **Notes to Directors' and Key Senior Managements' Profile:**

- **Family Relationship**  
Save for Mr. Loo Chee Wee, Mr. Tay Kheng Seng and Ms. Bong Kok Choo, none of the Directors and Key Senior Management have any family relationship with any Director and/ or major shareholder of the Company.
- **Conflict of Interest**  
Save for the related parties disclosures in the Recurrent Related Parties Transactions ("RRPT") Circular to Shareholders dated 25 April 2025, none of the Directors and Key Senior Management has any personal interest/ conflict of interest /potential conflict of interest, including interest in any competing business with the Company and the subsidiary.
- **Conviction for Offences**  
None of the Directors and Key Senior Management has been convicted for offences within the past 5 years other than traffic offences or any public sanction or penalty imposed on him / her by the relevant regulatory bodies during the financial year ended 31 December 2024.
- **Attendance of Board Meetings**  
The details of attendance of the Directors at the Board Meeting are set out on page 43 of this Annual Report.
- **Directors' Shareholdings**  
The details of the Directors' interest in the securities of the Company are set out in the Analysis of Shareholdings on page 103 of this Annual Report.
- **Directorships in Public Companies and Listed Issuers**  
Save for Mr. Chan Kam Chiew and Dato' Leanne Koh Li Ann, none of the Directors and Key Senior Management hold any other directorship of public companies and listed issuers.

# MANAGEMENT DISCUSSION AND ANALYSIS



**Loo Chee Wee**

**Chief Executive Officer / Executive Director**

## CEO'S FOREWORD

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

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

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

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

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

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## SUMMARY AND OVERVIEW OF OUR GROUP'S BUSINESS

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

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

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

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

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

## BUSINESS SEGMENTS

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

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

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



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## REVIEW OF FINANCIAL PERFORMANCE

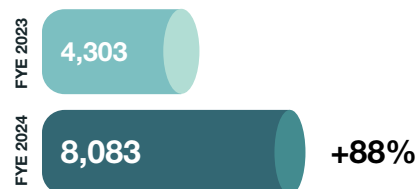
### REVENUE (RM'000)

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



### PAT (RM'000)

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



## SEGMENTAL REVENUE CONTRIBUTION

### HQ CENTRALISED MANAGEMENT, STORE OPERATIONS & FINANCIAL MANAGEMENT

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



### XBRIDGE B2B SOLUTION

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



### OMNI-CHANNEL ENGAGEMENT

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



### OTHERS

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



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL POSITION AND LIQUIDITY

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

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

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

## DIVIDENDS

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

## ANTICIPATED OR KNOWN RISKS

### TALENT RETENTION

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

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

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

### SUSCEPTIBILITY TO FLUCTUATIONS AND PROSPECTS OF THE RETAIL INDUSTRY

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

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## ANTICIPATED OR KNOWN RISKS (CONT'D)

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

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

### RAPID TECHNOLOGICAL & RETAIL TREND CHANGES

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

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

### OUTLOOK AND GROWTH STRATEGIES

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

*(Source: NST Online, 12 February 2025)*

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

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

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



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## ANTICIPATED OR KNOWN RISKS (CONT'D)

### OUTLOOK AND GROWTH STRATEGIES (CONT'D)

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

#### I. Harnessing synergies between Gross Synergy and Panda Eco System

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

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

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

#### II. Operational Expansion

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

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

#### III. Regional Growth

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

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## ANTICIPATED OR KNOWN RISKS (CONT'D)

### OUTLOOK AND GROWTH STRATEGIES (CONT'D)

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

#### IV. New Solutions

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

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

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

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

## APPRECIATION AND ACKNOWLEDGEMENT

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

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

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

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

# SUSTAINABILITY STATEMENT

“

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

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

”

**Loo Chee Wee**

*Chief Executive Officer/  
Executive Director*





# SUSTAINABILITY STATEMENT (CONT'D)

## ABOUT THIS SUSTAINABILITY STATEMENT

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

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

## SCOPE OF THIS STATEMENT

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

## REPORTING PERIOD, STANDARDS AND GUIDELINES

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

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

## REPORTING QUALITY & DATA ASSURANCE

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

## LIMITATIONS AND EXCLUSIONS

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

# SUSTAINABILITY STATEMENT (CONT'D)

## FORWARD-LOOKING STATEMENTS

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

## STAKEHOLDER FEEDBACK

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

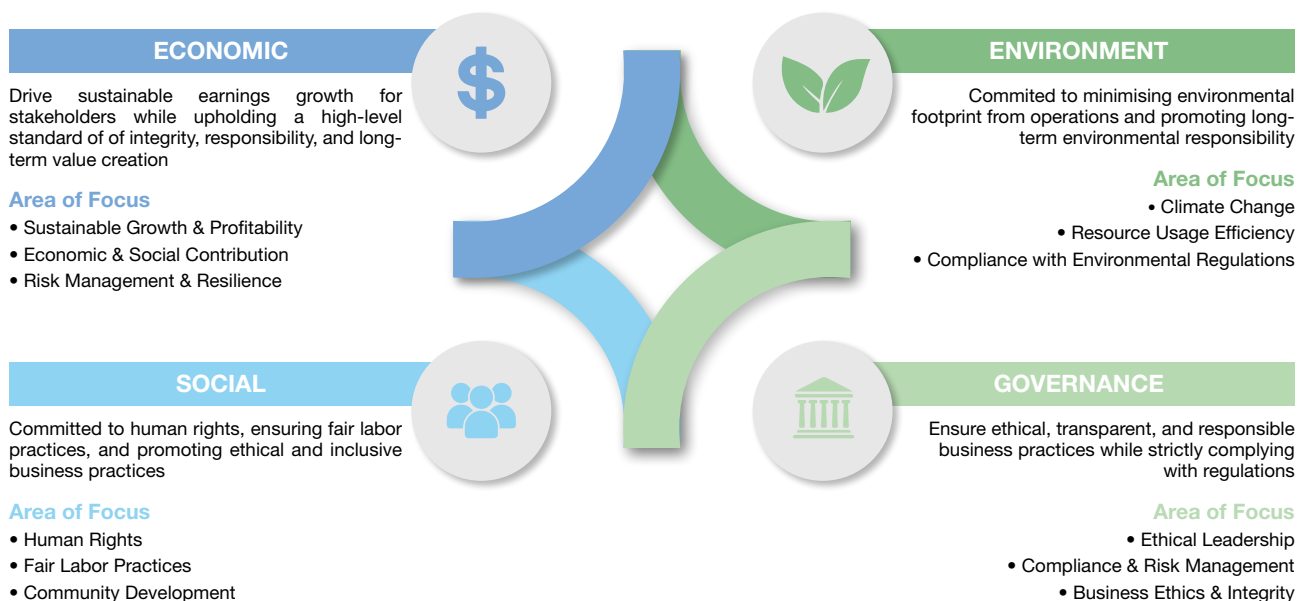
## OUR APPROACH TO SUSTAINABILITY

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

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

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

### Sustainability Framework



# SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABILITY GOVERNANCE





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

## STAKEHOLDER ENGAGEMENT

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

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

The table below summarises our key stakeholders, engagement methods and frequency, and material topics of concern.



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



# SUSTAINABILITY STATEMENT (CONT'D)

## STAKEHOLDER ENGAGEMENT (CONT'D)

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

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

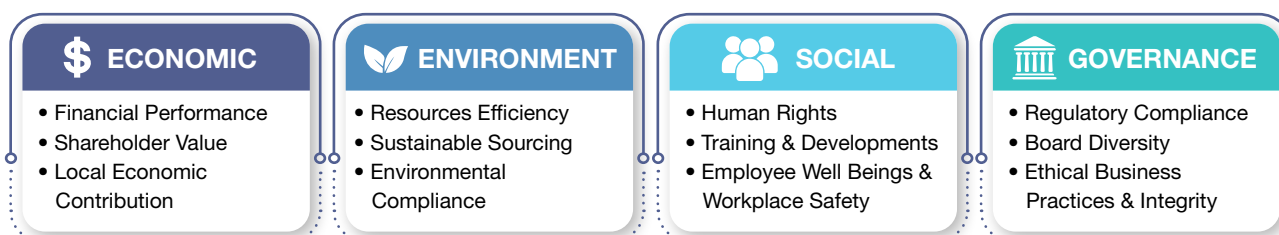
## MATERIALITY ASSESSMENT

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

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

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

### Material Matters



# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC

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

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

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

### I. Financial Performance

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

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

### II. Shareholder Value

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

### III. Local Economic Contribution

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

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC (CONT'D)

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

### IV. Employee Remuneration

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

## ENVIRONMENTAL

### CLIMATE CHANGE

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

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

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

### ECO-EFFICIENT SOLUTIONS

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

### EMISSIONS

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



# SUSTAINABILITY STATEMENT (CONT'D)

## ENVIRONMENTAL (CONT'D)

### ENERGY MANAGEMENT

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

#### Green Energy Project

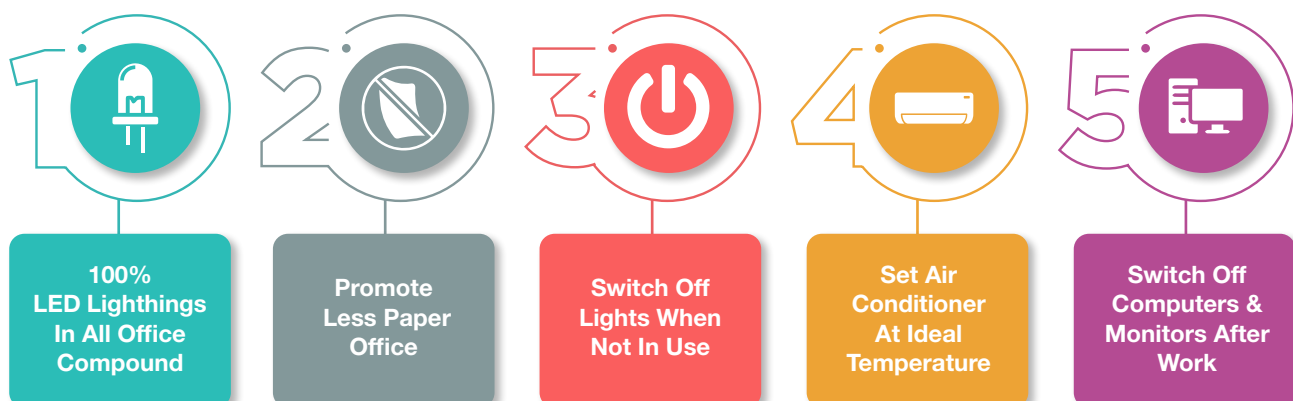
One of the key initiatives undertaken by the Group to reduce our energy consumption directly from the main grid is by implementing our Green Energy Project. In May 2022, we completed the installation of a 25.5-kilowatt peak (kWp) rooftop solar power system at our HQ. By implementing this solar power system, we managed to decrease our reliance on the main grid, thereby indirectly reducing our carbon footprint associated with electrical consumption.



(1) Based on 2022 Malaysia Grid Emission Factor (GEF) of 0.77 tCO<sub>2</sub>/MWh

(2) Based on the estimation that 1 mature tree can absorb 0.04t CO<sub>2</sub> per year

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



# SUSTAINABILITY STATEMENT (CONT'D)

## ENVIRONMENTAL (CONT'D)

### WATER MANAGEMENT

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

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

#### Key Water Management Initiatives

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

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

### WASTE MANAGEMENT

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

#### Reducing Waste at the Source

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

#### Reusing & Repurposing Hardware

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

#### Employee Engagement and Awareness

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

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

# SUSTAINABILITY STATEMENT (CONT'D)

## ENVIRONMENTAL (CONT'D)

### ENVIRONMENTAL COMPLIANCE

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

### BIODIVERSITY

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

## SOCIAL

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

### HUMAN RIGHTS AND LABOUR STANDARDS

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

### DIVERSITY & NON-DISCRIMINATION

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

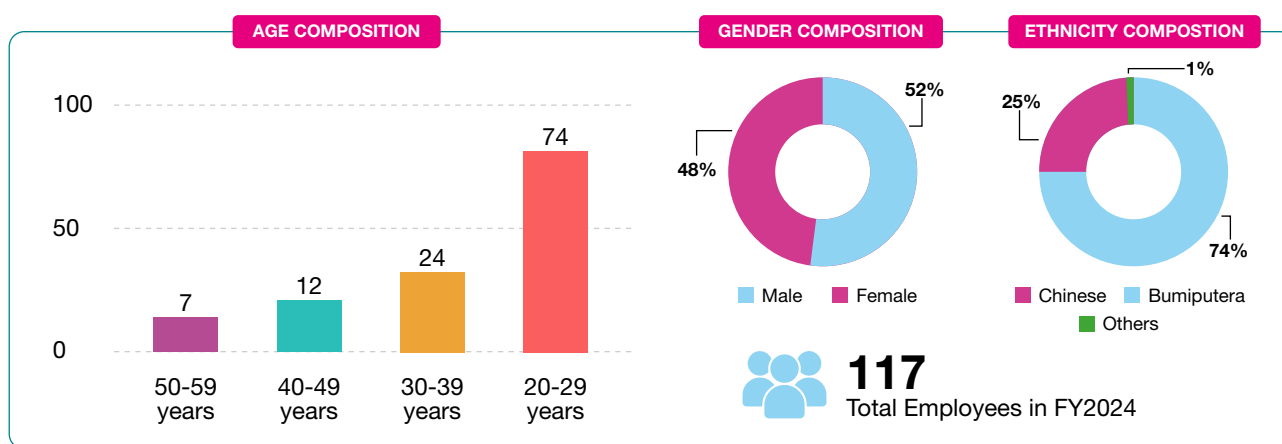


# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL (CONT'D)

### DIVERSITY & NON-DISCRIMINATION (CONT'D)

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



### WHISTLE BLOWING POLICY

We are committed to addressing and preventing workplace bullying proactively and thoroughly. We have established a confidential reporting channel where any breach of the Code of Conduct, including workplace harassment, can be addressed directly to the Chairman of our Audit and Risk Management Committee. The identity of the whistleblower will remain anonymous and will only be disclosed if required by the law. In FY2024, there were no reports of harassment incidents.

### TRAINING & DEVELOPMENT

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

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

# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL (CONT'D)

### OCCUPATIONAL SAFETY AND SAFETY

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

### EMPLOYEE BENEFITS & WELFARE

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



# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL (CONT'D)

### EMPOWERING A COLLABORATIVE AND WELL-BEING CULTURE

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



## GOVERNANCE

### CORPORATE GOVERNANCE

We believe that strong corporate governance is at the core of success for any business to sustain and thrive in the long term. It is also essential to ensure that the Group constantly acts in the best interests of all stakeholders and will be able to enhance shareholder value.

In upholding proper standards of corporate governance, the Group has put in place policies and procedures which serve as guidance for our employees, management, and Board of Directors. Some of the key policies are as follows:

- I. Code of Conduct
- II. Anti-Bribery and Corruption Policy
- III. Fit and Proper Policy
- IV. Whistleblowing Policy and Procedures



# SUSTAINABILITY STATEMENT (CONT'D)

## GOVERNANCE (CONT'D)

### CORPORATE GOVERNANCE (CONT'D)

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

### ETHICS, COMPLIANCE AND INTEGRITY

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

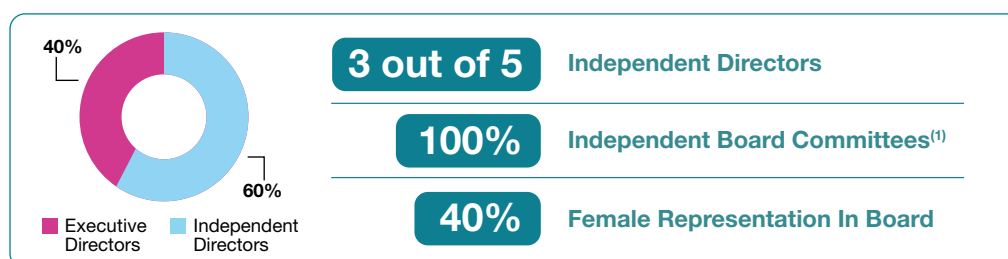
### ANTI-BRIBERY AND CORRUPTION (ABC) POLICY

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

### BOARD GOVERNANCE

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

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



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

### REGULATORY COMPLIANCE

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

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

### I. BOARD RESPONSIBILITIES

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### I. BOARD RESPONSIBILITIES (CONT'D)

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

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

### II. BOARD COMPOSITION

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

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

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

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

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

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

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



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### II. BOARD COMPOSITION (CONT'D)

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### II. BOARD COMPOSITION (CONT'D)

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

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

### Company Secretaries

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

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

### Nomination Committee

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### II. BOARD COMPOSITION (CONT'D)

#### **Nomination Committee (Cont'd)**

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

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

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

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

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

### III. DIRECTORS' REMUNERATION

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

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

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

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

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

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



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### III. DIRECTORS' REMUNERATION (CONT'D)

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

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

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

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit and Risk Management Committee

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

The members of ARMC are as follows: -

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

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

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

### II. Risk Management and Internal Control Framework

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### I. Engagement with Stakeholders

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

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

### II. Conduct of General Meetings

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

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

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

## STATEMENT OF DIRECTORS’ RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

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

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

## COMPLIANCE STATEMENT

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

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

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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

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

## COMPOSITION & MEETING

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

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

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

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

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

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

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



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## COMPOSITION & MEETING (CONT'D)

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

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

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## COMPOSITION & MEETING (CONT'D)

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

### 5. Conflict of Interest

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

### 6. Other Matters

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

## Internal Audit Function

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

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

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

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

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

## BOARD’S RESPONSIBILITY

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

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

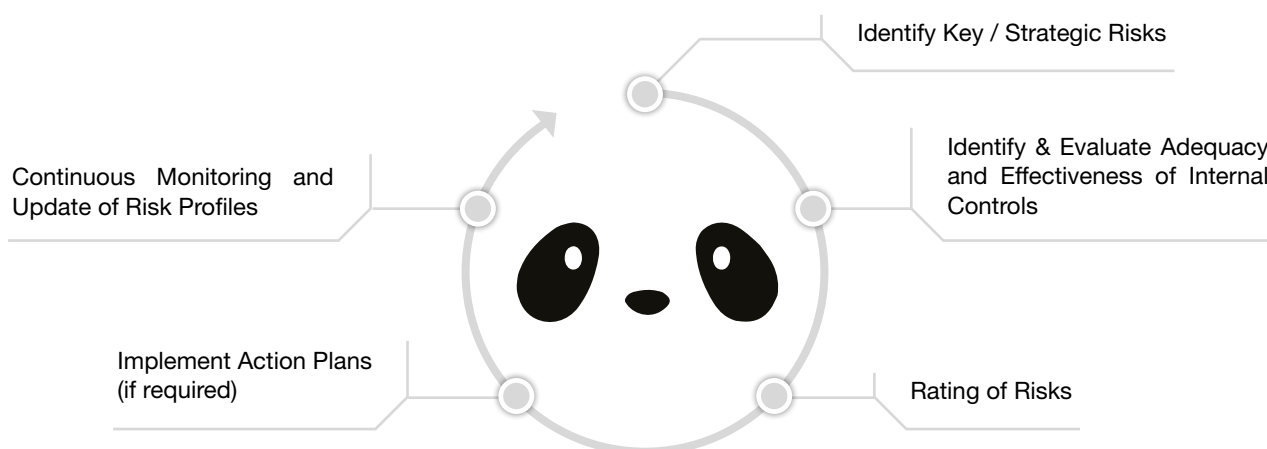
The Board, via the Audit and Risk Management Committee (“ARMC”), evaluates the adequacy and effectiveness of the system of risk management and internal control and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies.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

## RISK MANAGEMENT FRAMEWORK

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

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

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



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

## RISK MANAGEMENT FRAMEWORK (CONT'D)

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

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

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

## INTERNAL CONTROL

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

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



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

## INTERNAL AUDIT

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

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

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

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

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

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

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

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

## THE BOARD'S CONCLUSION

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

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

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

# ADDITIONAL COMPLIANCE INFORMATION

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

## 1. Material Contracts Involving Directors and/or Major Shareholders

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

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

## 2. Utilisation of Proceeds Raised from Corporate Proposals

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

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

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

# ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

## 3. Loan Contracts

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

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

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

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

# ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

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

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

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

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

## 5. Audit and Non-Audit Fees

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

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



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# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

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

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

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

## RESULTS

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

## DIVIDENDS

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

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

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

## RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

## OPTIONS GRANTED OVER UNISSUED SHARES

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

# DIRECTORS' REPORT (CONT'D)

## BAD AND DOUBTFUL DEBTS

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

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

## CURRENT ASSETS

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

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

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

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

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

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

## CHANGE OF CIRCUMSTANCES

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

## ITEMS OF AN UNUSUAL NATURE

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

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

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS

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

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

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

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

## DIRECTORS' INTERESTS

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

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

### THE COMPANY

#### DIRECT INTERESTS

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

#### INDIRECT INTERESTS

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

### ULTIMATE HOLDING COMPANY GOLDCOIN CAPITAL SDN. BHD.

#### DIRECT INTERESTS

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

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

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

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



# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' BENEFITS

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

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

## DIRECTORS' REMUNERATION

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

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

## INDEMNITY AND INSURANCE COST

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

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

## SUBSIDIARIES

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

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

# DIRECTORS' REPORT (CONT'D)

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)

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

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

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

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

## SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

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

## ULTIMATE HOLDING COMPANY

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

## AUDITORS

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

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

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

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

Loo Chee Wee

Tay Kheng Seng

# STATEMENT BY DIRECTORS

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

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

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

Loo Chee Wee

Tay Kheng Seng

# STATUTORY DECLARATION

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

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

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

Loo Chee Wee

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

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF PANDA ECO SYSTEM BERHAD

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

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

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

#### Basis for Opinion

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

#### Independence and Other Ethical Responsibilities

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

#### Key Audit Matters

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

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

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



# INDEPENDENT AUDITORS' REPORT

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

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

### Key Audit Matters (Cont'd)

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

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

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

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

# INDEPENDENT AUDITORS' REPORT

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

# INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

### OTHER MATTERS

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

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

Melaka

15 April 2025

**Tan Guan Seng**  
03387/08/2026 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2024

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

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

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



# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

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

# STATEMENTS OF CHANGES IN EQUITY

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

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

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

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

# STATEMENTS OF CASH FLOWS

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 1. GENERAL INFORMATION

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

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

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

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

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

### 2. ULTIMATE HOLDING COMPANY

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

### 3. PRINCIPAL ACTIVITIES

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

### 4. BASIS OF PREPARATION

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

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

### 4. BASIS OF PREPARATION (CONT'D)

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

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

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

### 5. MATERIAL ACCOUNTING POLICY INFORMATION

#### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

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

##### **(a) Amortisation of Development Costs**

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

##### **(b) Impairment of Trade Receivables and Contract Assets**

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(c) Revenue Recognition**

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

##### **(d) Deferred Tax Assets**

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

##### *Critical Judgement Made in Applying Accounting Policies*

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

##### **(a) Lease Terms**

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

#### 5.2 FINANCIAL INSTRUMENTS

##### **(a) Financial Assets**

##### Financial Assets Through Profit or Loss

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

##### Financial Assets at Amortised Cost

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.2 FINANCIAL INSTRUMENTS (CONT'D)

##### (b) Financial Liabilities

###### Financial Liabilities at Amortised Cost

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

##### (c) Equity

###### Ordinary Shares

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

#### 5.3 BASIS OF CONSOLIDATION

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

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

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

#### 5.4 INVESTMENTS IN SUBSIDIARIES

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

#### 5.5 PLANT AND EQUIPMENT

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

##### (b) Right-of-use Assets

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

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

##### (c) Lease Liabilities

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

#### 5.7 RESEARCH AND DEVELOPMENT COSTS

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

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

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

#### 5.8 INVENTORIES

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

#### 5.9 CONTRACT ASSET AND CONTRACT LIABILITY

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.10 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

##### (i) Sales of computer software and application software

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

##### (ii) Sales of hardware

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

##### (iii) Registration fee and subscription fee

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

##### (iv) Software maintenance fee

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

##### (v) Training

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

##### (vi) Seminar

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

#### 5.11 REVENUE FROM OTHER SOURCES

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

### 6. INVESTMENT IN SUBSIDIARIES

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



# NOTES TO THE FINANCIAL STATEMENTS

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

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

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

## 7. PLANT AND EQUIPMENT

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

# NOTES TO THE FINANCIAL STATEMENTS

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

## 7. PLANT AND EQUIPMENT (CONT'D)

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

## 8. RIGHT-OF-USE ASSETS

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

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

(a) The Group leases a number of offices of which the leasing activities are summarised below:-

(i) Office The Group has leased a number of offices that run between 2 to 4 (2023 – 4) years, with an option to renew the lease after that date.

(b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

## 9. INTANGIBLE ASSETS

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 9. INTANGIBLE ASSETS (CONT'D)

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

### 10. DEFERRED TAX (ASSETS)/LIABILITIES

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

## 11. INVENTORIES

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

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

## 12. TRADE RECEIVABLES

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

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

## 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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



# NOTES TO THE FINANCIAL STATEMENTS

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

### 14. CONTRACT ASSETS/(LIABILITIES)

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

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

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

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

### 15. FIXED DEPOSITS WITH LICENSED BANKS

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 16. SHARE CAPITAL

#### (a) Share Capital

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

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

#### (b) Invested Capital

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

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

### 17. MERGER DEFICIT

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 18. LEASE LIABILITIES

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

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

### 19. TRADE PAYABLES

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

### 20. OTHER PAYABLES AND ACCRUALS

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

## 21. REVENUE

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

## 22. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 23. PROFIT BEFORE TAXATION

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

### 24. INCOME TAX EXPENSE

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



# NOTES TO THE FINANCIAL STATEMENTS

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

### 24. INCOME TAX EXPENSE (CONT'D)

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

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

### 25. EARNINGS PER SHARE

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 26. DIVIDENDS

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

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

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

### 27. CASH FLOW INFORMATION

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 27. CASH FLOW INFORMATION (CONT'D)

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 27. CASH FLOW INFORMATION (CONT'D)

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

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

### 28. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

The Group has related party relationship with the following:-

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 28. RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Significant related party transactions and balances

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

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

#### (c) Key management personnel compensation

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



# NOTES TO THE FINANCIAL STATEMENTS

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

### 28. RELATED PARTY DISCLOSURES (CONT'D)

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

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

### 29. OPERATING SEGMENTS

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

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

### 30. CAPITAL COMMITMENTS

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

### 31. FINANCIAL INSTRUMENTS

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

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES

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

##### (a) Market Risk

##### (i) Foreign Currency Risk

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

###### (ii) Interest Rate Risk

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

###### (iii) Equity Price Risk

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

##### (b) Credit Risk

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

###### (i) Credit Risk Concentration Profile

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

###### (ii) Maximum Exposure to Credit Risk

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

###### (iii) Assessment of Impairment Losses

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

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

##### Trade Receivables and Contract Assets

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

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

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

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

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

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

##### *Allowance for Impairment Losses*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses (Cont'd)*

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

###### Other Receivables

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

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

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

###### Allowance for Impairment Losses

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

###### Fixed Deposits with Licensed Banks, Cash and Bank Balances

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

##### (c) Liquidity Risk

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

###### Maturity Analysis

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (Cont'd)

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

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

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

##### The Company

##### 2023

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

#### 31.2 CAPITAL RISK MANAGEMENT

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

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



# NOTES TO THE FINANCIAL STATEMENTS

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

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

#### 31.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

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

#### 31.5 FAIR VALUE INFORMATION

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

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

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

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

### 33. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

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

# ANALYSIS OF SHAREHOLDINGS

## AS AT 26 MARCH 2025

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

### ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 26 MARCH 2025

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

Notes:-

\* Less than 5% of the issued shares.

\*\* 5% and above of the issued shares.

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

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

Note:-

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

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

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

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

Note:-

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

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

# ANALYSIS OF SHAREHOLDINGS

## AS AT 26 MARCH 2025 (CONT'D)

### THIRTY (30) LARGEST SHAREHOLDERS AS AT 26 MARCH 2025

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

# NOTICE OF THE THIRD ANNUAL GENERAL MEETING

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

## AGENDA

### Ordinary Business

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

### Special Business

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

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

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

## Special Business (CONT'D)

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

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



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

## Special Business (CONT'D)

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

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

## NOTICE OF DIVIDEND ENTITLEMENT

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

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

By Order of the Board

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

Company Secretaries

Kuala Lumpur  
 25 April 2025

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

## Notes:-

### A. Proxy

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

### B. Audited Financial Statements

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

## Explanatory Notes on Special Business

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

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

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

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

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

### E. Item 4 - Re-election of Directors

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

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

## Notes:- (Cont'd)

### Explanatory Notes on Special Business (Cont'd)

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

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

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

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

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

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

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

#### G. Item 7 – Proposed Renewal of Shareholders' Mandate

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

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

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

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

Appendix A

## PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

### Details of the Proposed Amendments to the Constitution

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

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

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

Appendix A

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

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

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

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

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

Appendix A

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

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

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

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



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

## STATEMENT ACCOMPANYING THE NOTICE OF AGM

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

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

### **Personal data privacy:**

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

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

# PROXY FORM



## PANDA ECO SYSTEM BERHAD

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

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

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

of \_\_\_\_\_  
(FULL ADDRESS)

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

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

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

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

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

\*Strike out whichever is not desired.

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

\_\_\_\_\_  
Signature / Common Seal of Member

Fold this flap for sealing

Notes:

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

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AFFIX  
STAMP

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

Share Registrar Office  
Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan, Malaysia

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**PANDA ECO SYSTEM BERHAD**

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

📍 No 28, 28-1, 30, 30-1, 32-1 and 34-1  
Jalan PPM 13  
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75250 Melaka, Malaysia

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✉ [enquiry@pandasoftware.my](mailto:enquiry@pandasoftware.my)

**[WWW.PANDA-ECO.COM](http://WWW.PANDA-ECO.COM)**