



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

**4<sup>TH</sup> QUARTER INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME<sup>(1)(2)</sup>  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue		7,508	N/A	23,769	N/A
Cost of sales		(4,218)	N/A	(10,845)	N/A
<b>Gross profit</b>		<b>3,290</b>	<b>N/A</b>	<b>12,924</b>	<b>N/A</b>
Other income		193	N/A	392	N/A
Administrative and other expenses <sup>(3)</sup>		(3,289)	N/A	(6,949)	N/A
Net reversal of impairment losses/ (Net impairment losses) on financial assets		58	N/A	(54)	N/A
<b>Profit from operations</b>		<b>252</b>	<b>N/A</b>	<b>6,313</b>	<b>N/A</b>
Finance costs		(2)	N/A	(6)	N/A
<b>Profit before tax</b>	B13	<b>250</b>	<b>N/A</b>	<b>6,307</b>	<b>N/A</b>
Income tax expense	B5	(476)	N/A	(2,003)	N/A
<b>(Loss)/Profit after tax/ total comprehensive (expense)/income for the period</b>		<b>(226)</b>	<b>N/A</b>	<b>4,304</b>	<b>N/A</b>
<b>(Loss)/Profit after tax/ total comprehensive (expense)/income for the period attributable to:</b>					
Owners of the Group		(226)	N/A	4,304	N/A
<b>Earnings per share ("EPS")</b>	B12				
- Basic (sen) <sup>(4)</sup>		(0.04)	N/A	0.75	N/A
- Diluted (sen) <sup>(5)</sup>		(0.04)	N/A	0.75	N/A

**Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 8 November 2023 in relation to its initial public offering ("**IPO**") and the accompanying explanatory notes attached to this interim financial report.

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

- (2) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). There are no comparative figures for the preceding corresponding quarter and period-to-date as the Company was listed on the ACE Market of Bursa Securities on 27 November 2023 and no interim financial report was prepared for the comparative financial period concerned.
- (3) Administrative and other expenses included non-recurring listing expenses of approximately RM1.21 million. For illustration purposes only, the Group’s normalised financial performance after adjusting for the non-recurring listing expenses is as follows:-

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	250	N/A	6,307	N/A
Add: Listing expenses	1,212	N/A	1,866	N/A
<b>Adjusted profit before taxation</b>	<b>1,462</b>	<b>N/A</b>	<b>8,173</b>	<b>N/A</b>

- (4) Basic EPS is calculated based on the weighted average number of ordinary shares of the Company of 572,978,588 as at 31 December 2023.
- (5) There are no dilutive instruments as at the end of the quarter ended 31 December 2023.
- (6) N/A – Not applicable.

---

The rest of this page is intentionally left blank

---

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>**  
**AS AT 31 DECEMBER 2023**

	Note	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,335	809
Right-of-use assets		118	94
Intangible assets		1,988	1,183
Deferred tax assets		66	33
<b>Total non-current assets</b>		<b>3,507</b>	<b>2,119</b>
<b>Current assets</b>			
Inventories		152	280
Trade receivables		3,834	2,359
Other receivables, deposits and prepayments		451	569
Contract assets		268	135
Current tax assets		670	189
Fixed deposits with licensed banks		23,959	5,550
Cash and bank balances		5,730	5,283
<b>Total current assets</b>		<b>35,064</b>	<b>14,365</b>
<b>TOTAL ASSETS</b>		<b>38,571</b>	<b>16,484</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		22,173	(3)*
Invested capital		-	380
Merger reserve		(5,239)	-
Retained earnings		15,537	12,233
<b>TOTAL EQUITY</b>		<b>32,471</b>	<b>12,613</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	B8	93	64
Deferred tax liabilities		263	179
<b>Total non-current liabilities</b>		<b>356</b>	<b>243</b>
<b>Current liabilities</b>			
Trade payables		766	710
Other payables, deposits and accruals		4,949	2,885
Lease liabilities	B8	29	33
<b>Total current liabilities</b>		<b>5,744</b>	<b>3,628</b>
<b>TOTAL LIABILITIES</b>		<b>6,100</b>	<b>3,871</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,571</b>	<b>16,484</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>		0.05	0.02

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

**Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 8 November 2023 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's share capital of 671,187,000 ordinary shares as at 31 December 2023.
- (3) \* Represents RM5.00 only.

---

The rest of this page is intentionally left blank

---

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)(2)</sup>**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	← Non-distributable →			Distributable	Total Equity RM'000
	Share Capital RM'000	Invested Capital RM'000	Merger Reserve RM'000	Retained Earnings RM'000	
<b>At 1 January 2023</b> <b>(Audited)</b>	(5)*	380	-	12,233	12,613
Profit after tax/total comprehensive income for the financial year	-	-	-	4,304	4,304
Dividends	-	-	-	(1,000)	(1,000)
<b>Transactions with owners</b>					
Issuance of shares <sup>(3)</sup>	5,619	-	-	-	5,619
Share issuance expenses <sup>(4)</sup>	(932)	-	-	-	(932)
Shares issued for acquisitions of subsidiaries	17,486	-	-	-	17,486
Merger reserve	-	-	(5,239)	-	(5,239)
Invested equity	-	(380)	-	-	(380)
	22,173	(380)	(5,239)	-	16,554
<b>At 31 December 2023</b> <b>(Unaudited)</b>	<b>22,173</b>	<b>-</b>	<b>(5,239)</b>	<b>15,537</b>	<b>32,471</b>

**Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 8 November 2023 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Issuance of new shares pursuant to the IPO as disclosed in Note A7.
- (4) Listing expenses incurred pursuant to the IPO as disclosed in Note A7 that has been set-off against the equity.
- (5) \* Represents RM5.00 only.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)(2)</sup>**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>CURRENT YEAR-TO-DATE 31.12.2023 RM'000</b>	<b>PRECEDING PERIOD-TO- DATE 31.12.2022<sup>(2)</sup> RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,307	N/A
Adjustments for:		
Depreciation of property, plant and equipment	142	N/A
Depreciation of right-of-use assets	32	N/A
Gain on disposal of other investments	(36)	N/A
Inventories written down	37	N/A
Impairment loss on trade receivables	314	N/A
Interest expense on lease liabilities	6	N/A
Interest income	(207)	N/A
Loss on disposal of plant and equipment	3	N/A
Reversal of impairment loss on trade receivables	(260)	N/A
<b>Operating profit before changes in working capital</b>	<b>6,338</b>	<b>N/A</b>
<b>Changes in working capital:</b>		
Decrease in inventories	91	N/A
Increase in contract assets	(133)	N/A
Increase in trade and other receivables	(1,411)	N/A
Increase in trade and other payables	2,120	N/A
<b>Cash generated from operations</b>	<b>7,005</b>	<b>N/A</b>
Income tax paid	(2,433)	N/A
<b>Net cash from operating activities</b>	<b>4,572</b>	<b>N/A</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Additional investment in intangible assets	(805)	N/A
Interest received	207	N/A
Proceeds from disposal of other investments	67	N/A
Proceeds from disposal of plant and equipment	1	N/A
Purchase of other investments	(31)	N/A
Purchase of property, plant and equipment	(672)	N/A
<b>Net cash used in investing activities</b>	<b>(1,233)</b>	<b>N/A</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,000)	N/A
Interest paid	(6)	N/A
Net proceeds from issuance of shares	16,554	N/A
Repayment of lease liabilities	(31)	N/A
<b>Net cash from financing activities</b>	<b>15,517</b>	<b>N/A</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>18,856</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>10,833</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>29,689</b>	<b>N/A</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)(2)</sup>**  
**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

	<b>31.12.2023</b>	<b>31.12.2022<sup>(2)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents at the end of the year are represented by:</b>		
Fixed deposits with licensed banks	23,959	N/A
Cash and bank balances	5,730	N/A
	<u><b>29,689</b></u>	<u><b>N/A</b></u>

**Notes:-**

- (1) The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 8 November 2023 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) N/A – Not applicable.

---

The rest of this page is intentionally left blank

---



**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of Listing Requirements of Bursa Securities.

This is the Company's second interim financial report on the unaudited condensed consolidated financial results for the financial year ended 31 December 2023 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 8 November 2023 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.

**A2. Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants' Report as disclosed in the Prospectus dated 8 November 2023 in relation to its IPO except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

**New MFRS and amendments/Improvements to MFRSs effective on 1 January 2023**

*MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information*

*Amendments to MFRS 101: Disclosure of Accounting Policies*

*Amendments to MFRS 108: Disclosure of Accounting Estimates*

*Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

*Amendments to MFRS 112: International Tax Perform – Pillar Two Model Rules*

The adoption of the above new MFRS and amendments/improvements to MFRSs does not have any significant effect on the financial statements of the Group.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A2. Significant Accounting Policies (Continued)**

**Amendments/improvements to MFRSs that have been issued, but yet to be effective**

	<b>Effective Date</b>
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 101: <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Agreements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact on the Group.

**A3. Auditors' Report on Preceding Annual Financial Statements**

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2022.

**A4. Seasonal or Cyclical Factors**

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial year-to-date under review.

**A5. Unusual Items Due to Their Nature, Size or Incidence**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial year-to-date under review.

**A6. Material Changes in Estimates**

There were no material changes in estimates in the current quarter and financial year-to-date under review.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A7. Debt and Equity Securities**

Save as disclosed below, there were no issuances, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and financial year-to-date under review.

Pursuant to the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the effect of the IPO on equity structure of the Company were allocated in the following manner.

- (I) Public Issue of 109,286,800 new ordinary shares in the Company (the "**Shares**") ("**Public Issue**") at an issue price of RM0.16 per share allocated in the following manner:
- 33,559,400 new Shares available for application by the Malaysian public by way of balloting;
  - 42,774,200 new Shares available for application by the eligible directors, employees and persons who have contributed to the success of our Group; and
  - 32,953,200 new Shares by way of private placement to selected investors, and
- (II) Offer for sale of 61,810,000 existing shares by way of private placement to selected investors.

The IPO was completed and the Company was listed on the ACE Market of Bursa Securities on 27 November 2023 with the enlarged issued share capital comprised 671,187,000 Shares.

**A8. Dividend Paid**

There were no dividends paid during the current quarter under review.

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

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A9. Segmental Information**

The Group's revenue is segmented as follows:

**Revenue by products/services**

	<b><u>3 MONTHS ENDED</u></b>		<b><u>12 MONTHS ENDED</u></b>	
	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Retail Management Eco-system:				
• HQ Centralised Management, Store Operations and Financial Management solution	5,522	N/A	16,207	N/A
• xBridge B2B solution	1,106	N/A	4,061	N/A
• Omni-Channel Engagement solution	470	N/A	1,817	N/A
Others:				
• Outright sale of IT hardware and third-party software	395	N/A	1,601	N/A
• Software customisation, implementation and integration	15	N/A	83	N/A
	<b>7,508</b>	<b>N/A</b>	<b>23,769</b>	<b>N/A</b>

**Notes:**

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A – Not applicable.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A10. Valuation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment during the current financial quarter under review.

**A11. Material Events Subsequent to the End of the Reporting Period**

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter under review.

**A13. Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets in the Group as at the date of this interim financial report.

**A14. Related Party Transactions Disclosures**

The related party transactions between the Group and related party are as follows:

	<b><u>3 MONTHS</u> <u>ENDED</u> 31.12.2023 Unaudited RM'000</b>	<b><u>12 MONTHS</u> <u>ENDED</u> 31.12.2023 Unaudited RM'000</b>
<b>Companies in which certain Directors of the Group have substantial financial interests</b>		
Purchase of goods	968	1,739
<b>Certain Directors of the Group</b>		
Lease expenses paid/payable	14	55
<b>A company in which a director of the subsidiary has substantial financial interests</b>		
Lease expenses paid/payable	3	12
	<hr/>	<hr/>

**A15. Capital Commitments**

There were no material commitments during the end of the interim financial period.

**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of Financial Performance**

	<u>3 MONTHS ENDED</u>		<u>12 MONTHS ENDED</u>	
	<u>31.12.2023</u>	<u>31.12.2022<sup>(1)</sup></u>	<u>31.12.2023</u>	<u>31.12.2022<sup>(1)</sup></u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	7,508	N/A	23,769	N/A
Gross profit	3,290	N/A	12,924	N/A
Profit before tax	250	N/A	6,307	N/A
(Loss)/Profit after tax	(226)	N/A	4,304	N/A
(Loss)/Profit attributable to owners of the Company	(226)	N/A	4,304	N/A

**Notes:-**

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) N/A – Not applicable.

The Group recorded revenue of approximately RM7.51 million for the current financial quarter under review mainly contributed from the Retail Management Eco-system which accounted for RM5.52 million, representing 73.50% of the total revenue.

The Group recognised profit before tax of RM0.25 million for the current financial quarter under review after deducting administrative expenses of RM3.29 million which includes listing expenses of RM1.21 million. The administrative expenses mainly consist of staff cost, professional fees, depreciation of property, plant and equipment as well as transportation and accommodation.

**B2. Comparison with Immediate Preceding Quarter's Results**

	<u>CURRENT</u>	<u>IMMEDIATE</u>	<u>Changes</u>
	<u>QUARTER</u>	<u>PRECEDING</u>	
	<u>31.12.2023</u>	<u>30.09.2023</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	
Revenue	7,508	5,461	37.48
Gross profit	3,290	3,254	1.11
Profit before tax	250	2,312	(89.19)
(Loss)/Profit after tax	(226)	1,785	(112.66)

**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)**

**B2. Comparison with Immediate Preceding Quarter's Results (Cont'd)**

The Group's revenue for the current quarter increased by RM2.05 million or 37.55% to RM7.51 million as compared with the immediate preceding quarter of RM5.46 million, which was mainly driven by higher revenue contribution from the Retail Management Eco-system.

The gross profit increased by RM0.04 million or 1.23% to RM3.29 million as compared with the immediate preceding quarter of RM3.25 million. Lower gross profit margin of 43.82% was recorded for the current quarter under review as compared to the immediate preceding quarter of 59.59%. The decrease in gross profit margin was mainly due to the business performance bonuses granted to the eligible employees at the end of this quarter.

The Group recorded a profit before tax of RM0.25 million for the current quarter representing a decrease of RM2.06 million as compared to the preceding quarter mainly due to one-off listing expenses of RM1.21 million which was charged to the profit or loss in the current quarter.

**B3. Prospects of the Group**

The Group is principally involved in the development, customisation, implementation and integration of its Retail Management Eco-system. Post listing, the Group expects that the growth of its Retail Management Eco-system business segment will be centered on the following areas in accordance with the utilisation of the IPO proceeds:

- (i) development of cloud-based modules and expansion of solution offerings;
- (ii) expansion of workforce and operational facilities to facilitate business expansion in Malaysia; and
- (iii) regional expansion into other countries within ASEAN, namely Indonesia and the Philippines.

Leveraging on the comprehensive range of the solutions and other competitive strengths (as listed in Section 7.15 of the Prospectus), the Group aims to seize opportunities in the growing demand for retail management solutions in markets such as Malaysia, Indonesia and the Philippines.

**B4. Variance of Actual Profits from Profit Forecast**

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)**

**B5. Taxation**

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense				
- Current period	476	N/A	2,003	N/A
Effective tax rate (%) <sup>(2)</sup>	190.40	N/A	31.76	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

**Notes:**

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate for the quarter and year-to-date ended 31 December 2023 were higher than the statutory tax rate of 24.0% mainly due to non-deductible listing expenses of RM1.87 million.
- (3) N/A – Not applicable.

**B6. Status of Corporate Proposals**

On 27 November 2023, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged share capital of 671,187,000 shares was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other corporate proposals pending completion as at the date of this interim financial report.



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

**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)**

**B7. Utilisation of Proceeds from the Public Issue**

The gross proceeds of RM17.49 million from the Public Issue is intended to be utilised in the following manner:

<b>Details of utilisation of proceeds</b>	<b>Proposed utilisation RM'000</b>	<b>Percentage of utilisation %</b>	<b>Actual utilisation RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for utilisation<sup>(1)</sup></b>
Research and development of new solutions	2,712	15.51	628	2,084	Within 36 months
Business expansion					
• Regional expansion in ASEAN countries	1,890	10.81	-	1,890	Within 36 months
• Establishing additional service hubs within Malaysia	2,634	15.06	17	2,617	Within 24 months
Expansion of customer technical support department	1,680	9.61	83	1,597	Within 24 months
Headquarters expansion	3,000	17.16	-	3,000	Within 36 months
Working capital	2,833	16.20	527	2,306	Within 24 months
Estimated listing expenses	2,736	15.65	2,736	-	Within 1 month
	<b>17,485</b>	<b>100.00</b>	<b>3,991</b>	<b>13,494</b>	

**Note:**

(1) From the date of listing of the Company on 27 November 2023.

**B8. Group Borrowings and Debts Securities**

	<b>31.12.2023 Unaudited RM'000</b>	<b>31.12.2022 Audited RM'000</b>
<b>Non-current:</b>		
Lease liabilities	93	64
<b>Current:</b>		
Lease liabilities	29	33
<b>Total borrowings</b>	<b>122</b>	<b>97</b>

**B9. Derivative Financial Instruments**

There were no outstanding derivatives as at 31 December 2023.

**B10. Material Litigations**

There were no material litigations by or against the Group as at 31 December 2023.

**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)**

**B11. Dividends**

There was no dividend declared for the financial period under review.

**B12. Earnings Per Share**

The basic and diluted EPS for the current financial quarter under review and financial year-to-date are computed as follows:

	<b><u>3 MONTHS ENDED</u></b>		<b><u>12 MONTHS ENDED</u></b>	
	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit attributable to owners of the Company	(226)	N/A	4,304	N/A
Weighted average number of ordinary shares in issue ('000) <sup>(2)</sup>	572,979	N/A	572,979	N/A
Weighted average number of diluted ordinary shares in issue ('000) <sup>(3)</sup>	572,979	N/A	572,979	N/A
Basic EPS (sen) <sup>(2)</sup>	(0.04)	N/A	0.75	N/A
Diluted EPS (sen) <sup>(3)</sup>	(0.04)	N/A	0.75	N/A

**Notes:**

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the weighted average number of ordinary shares of the Company of 572,978,588 as at 31 December 2023.
- (3) There are no dilutive instruments as at the end of the year ended 31 December 2023.
- (4) N/A – Not applicable.

**B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)**

**B13. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

The following items have been charged/(credited) in arriving at the profit before tax for the current financial quarter and the profit before tax for the financial year-to-date:

	<b><u>3 MONTHS ENDED</u></b>		<b><u>12 MONTHS ENDED</u></b>	
	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>	<b>31.12.2023</b>	<b>31.12.2022<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>After charging:</b>				
Depreciation of property, plant and equipment	43	N/A	142	N/A
Depreciation of right-of-use assets	8	N/A	32	N/A
Employee benefits expense	3,439	N/A	8,139	N/A
Interest expense on lease liabilities	2	N/A	6	N/A
Inventories written down	37	N/A	37	N/A
Loss on disposal of plant and equipment	-	N/A	3	N/A
Listing expenses	1,212	N/A	1,866	N/A
<b>And crediting:</b>				
Gain on disposal of other investments	-	N/A	(36)	N/A
Interest income	(99)	N/A	(207)	N/A

**Notes:**

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) N/A – Not applicable.

**B14. Authorisation for Issue**

This interim financial report was authorised for issue by the Board on 28 February 2024.