

ANNUAL REPORT 2024



Sustainable Growth, Lasting Impacts



Sustainable Growth, Lasting Impacts

Drawing inspiration from the **rainforest—Earth’s oldest and most intricate ecosystem**—this year’s cover serves as a fitting visual representation of the three key elements of our theme: **Continuous Improvement, Systems Thinking, and a Transformative Mindset**.

These complementary elements create a **robust framework** for both personal and organisational excellence, driving long-term success in an ever-evolving environment. Like the rainforest—constantly renewing itself, thriving through deep interconnections, and transforming in response to change—our journey is one of **endless improvement, strategic alignment, and bold transformation**. **Continuous Improvement** turns small steps into lasting progress, **Systems Thinking** ensures every initiative strengthens the whole, and a **Transformative Mindset** empowers us to embrace change beyond incremental gains.

Paired with nature-inspired colour palette, symbolising harmony and sustainability, the cover reflects our commitment to **sustainable growth as the journey, where each step forward leaves a lasting impact that endures beyond time**.

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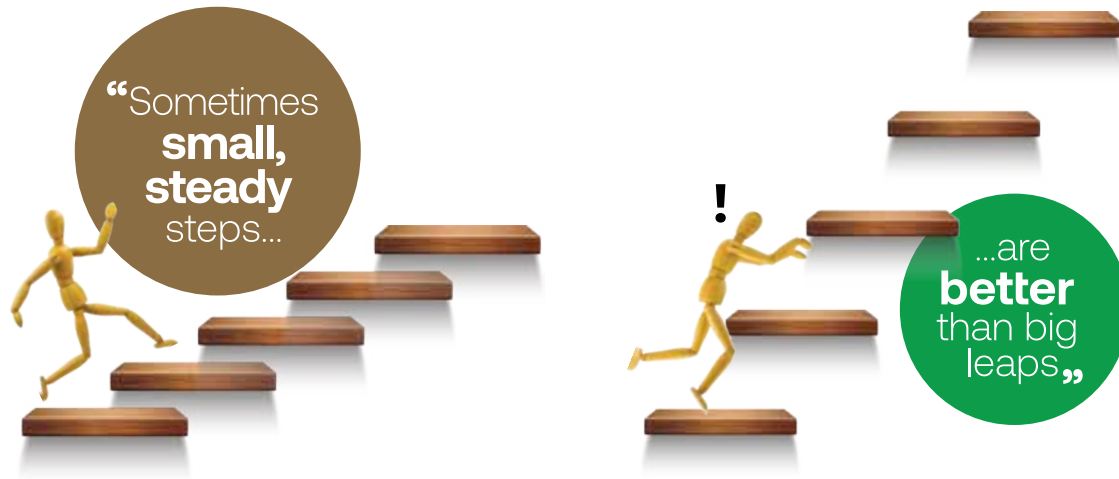


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Sustainable Growth, Lasting Impacts



Continuous Improvement Culture

“Continuous improvement is better than delayed perfection.” – Mark Twain

Rome wasn't built in a day, and neither are great organisations. A culture of continuous improvement thrives on progress, not perfection. Mark Twain's words remind us that waiting for the perfect moment can lead to stagnation, while steady, incremental growth leads to lasting success.

In business, as in life, small improvements compound over time, refining processes, strengthening teams, and driving innovation. Perfection is an illusion, but progress is real and achievable. By embracing continuous improvement, we cultivate resilience, agility, and excellence—transforming challenges into opportunities and dreams into reality. The key is to start, adapt, and keep moving forward.



Systems Thinking

“A system is never the sum of its parts; it's the product of their interaction.” – Russell Ackoff

Success isn't about isolated efforts—it's about how everything connects. Russell Ackoff's words remind us that true impact comes from the way parts interact, not just their individual strengths. In a culture of systems thinking, we see the bigger picture, aligning people, processes, and ideas to create synergy. When teams collaborate, innovations emerge, and challenges turn into opportunities. The key isn't just working harder but working smarter—understanding how each part contributes to a greater whole.



“Change
is scary,

But it is
worth it”

Transformative Mindset

**“Change your thoughts and
you change your world.”**

– Norman Vincent Peale

Transformation begins in the mind. Norman Vincent Peale’s words remind us that our thoughts shape our reality. A transformative mindset isn’t just about adapting to change—it’s about driving it. When we shift our perspective, challenges become opportunities, and limitations turn into possibilities. Growth starts with believing in new potential, embracing learning, and taking bold steps forward. Change your mindset, and you’ll change your world.

The 4 Disciplines of Execution¹



You can devise the most brilliant strategy and appear exceptional on paper, but without disciplined execution, your full potential will remain out of reach. Never underestimate the impact of consistency and discipline.

¹Covey, S., & McChesney, C. (2023). *The 4 disciplines of execution: Achieving your wildly important goals*. Simon & Schuster UK Ltd.

Focus on the Wildly Important

Zero in on what truly matters. Success starts with focus, identify one or two game-changing goals—your Wildly Important Goals (WIGs)—and commit to them fully. Keep it simple, vital, and measurable: “Move from X to Y by a specific time.” When you channel your energy into what truly matters, success becomes inevitable.



Act on the Lead Measures

Take action on what drives results. Don't just track outcomes—take charge of the actions that create them! Lead measures are the key—they predict success and are fully within your control. By focusing on the right activities, you shape your own path to victory!





3

Keep a Compelling Scoreboard

Keep the game alive with a scoreboard. Winners don't play in the dark! A clear, visible scoreboard keeps your team motivated and aware of progress. When you know where you stand, you can push harder, strategise better, and celebrate milestones along the way!



4

Create a Cadence of Accountability

Planning is only the beginning—execution is the real game-changer! Hold regular WIG sessions to check progress, review commitments, and set new actions. When accountability is a habit, success becomes a certainty!



33RD Annual GENERAL MEETING

2025





Wednesday

25 June 2025



10:00 am

FIND US:

-  www.picorp.com.my
-  03-7845 6566
-  Progressive Impact Corporation Berhad
-  Progressive Impact Corporation Berhad



01

**Corporate
Disclosure**

Corporate Information



Board of Directors

DATUK SYED HISHAM BIN SYED WAZIR

Chairman
Independent Non-Executive Director

ZAID BIN ABDULLAH

Executive Deputy Chairman

DATO' DR. LUKMAN BIN IBRAHIM

Group Executive Director

ZAIDAH BINTI MOHD SALLEH

Non-Independent Non-Executive Director

DATO' HAJJAH ROSNANI BINTI

IBARAHIM

Non-Independent Non-Executive Director

KAMARUL BAHARIN BIN ALBAKRI

Independent Non-Executive Director

**PROFESSOR DATO' IR. DR. MOHD
HAMDI BIN ABD SHUKOR**

Independent Non-Executive Director

DATO' SERI ROSMAN BIN MOHAMED

Independent Non-Executive Director

USAMAH BIN ZAID

Alternate Director to Zaid bin Abdullah

FATIMAH ZAHRAH BINTI ZAID

Alternate Director to Zaidah binti Mohd Salleh

Audit Committee

Kamarul Baharin bin Albakri
Chairman

- > Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor
- > Zaidah binti Mohd Salleh
- > Dato' Seri Rosman bin Mohamed

Nomination & Remuneration Committee

Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor
Chairman

- > Kamarul Baharin bin Albakri
- > Zaidah binti Mohd Salleh

Board Risk Management & Sustainability Committee

Dato' Hajjah Rosnani binti Ibarahim
Chairperson

- > Dato' Seri Rosman bin Mohamed
- > Dato' Dr. Lukman bin Ibrahim

Company Secretaries

Zaidah binti Mohd Salleh
(MIA 3313)
(SSM PC No. 202008000882)

Wong Siew Yeen

(MAICSA 7018749)
(SSM PC No. 202008001471)

Tee Thiam Chai

(MAICSA 7066679)
(SSM PC No. 202008002297)

Head Office & Registered Office

Suite 5.02, Mercu PICORP, Lot 10,
Jalan Astaka U8/84, Bukit Jelutong,
40150 Shah Alam, Selangor Darul Ehsan.

Telephone No. : 03-7845 6566
Facsimile No. : 03-7845 7566

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

Telephone No. : 03-2783 9278
Facsimile No. : 03-2783 9222

Auditor

Grant Thornton
Malaysia PLT

(Member Firm of Grant Thornton International
LTD AF 0737)

Chartered Accountants

Level 11, Sheraton Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

Telephone No. : 03-2692 4022

Principal Banker

AmBank Islamic Berhad

Corporate Structure



PROGRESSIVE IMPACT CORPORATION BERHAD

199001011782 (203352-V)



ENVIRONMENTAL MONITORING, CONSULTANCY & SERVICES

MALAYSIA

- Alam Sekitar Malaysia Sdn. Bhd. ————— **100%**
- Asma Environmental Consultancy Sdn. Bhd. — **100%**
- Alam Sekitar Eco-Technology Sdn. Bhd. — **90%**

INTERNATIONAL

- Asma International Sdn. Bhd. ————— **100%**
- Saudi Asma Environmental Solutions LLC — **100%**



LABORATORY TESTING SERVICES

MALAYSIA

- ALS Technichem (Malaysia) Sdn. Bhd. ————— **59%**
- ALS Technichem (PG) Sdn. Bhd. ————— **59%**

INTERNATIONAL

- PT ALS Indonesia ————— **80%**



**Sustainable Growth,
Lasting Impacts**



02

Leadership

ADDITIONAL INFORMATION

Save as disclosed, the Directors/Key Senior Management have:

- (i) no family relationship with any Director and/or major shareholder of Progressive Impact Corporation Berhad ("PICORP"), unless otherwise stated;
- (ii) no conflict of interest with PICORP;
- (iii) no directorship in other public companies and listed issuers;
- (iv) not been convicted of any offences within the past five years other than minor traffic offences; and
- (v) not been imposed any penalty or public sanction by the relevant regulatory bodies during the financial year ended 31 December 2024.

Details of the Key Senior Management can be obtained in the Executive Leadership Team section.

Board of Directors

2024





From the left

1 DATUK SYED HISHAM
BIN SYED WAZIR

2 ZAID BIN ABDULLAH

3 DATO' DR. LUKMAN
BIN IBRAHIM

4 ZAIDAH BINTI
MOHD SALLEH

5 DATO' HAJJAH ROSNANI
BINTI IBARAHIM

6 KAMARUL BAHARIN
BIN ALBAKRI

7 PROF. DATO' IR. DR. MOHD
HAMDI BIN ABD SHUKOR

8 DATO' SERI ROSMAN
BIN MOHAMED

9 USAMAH BIN ZAID

10 FATIMAH ZAHRAH
BINTI ZAID



Board of Directors



DATUK SYED HISHAM BIN SYED WAZIR

CHAIRMAN, INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 70 ▲ GENDER : MALE ▲ 

Date of Appointment : 30 May 2023
Board Meeting Attendance in 2024 : 6/6

Academic/professional qualification/membership(s)

- Master in Business Administration, Ohio State University, USA (1966)
- Bachelor of Science in Mechanical Engineering, Plymouth University, UK (1979)
- Ordinary National Diploma in Engineering, Hastings College of Further Education, UK (1974)
- Member of Beta Gamma Sigma of Ohio University
- Member of the Ohio University Alumni Society in Malaysia
- Member of Institute of Corporate Directors Malaysia

Experience:

- Chairman, Independent Non-Executive Director, MSM Malaysia Holdings Berhad (2020 - Present)
- Independent Non-Executive Director, Bermaz Auto Berhad (2016 - Present)
- Chairman, National Precision Tooling Sdn Bhd (2017 - 2020)

[read more >](#)

- Independent Non-Executive Director, National Precision Tooling Sdn Bhd (2020 - Present)
- Independent Non-Executive Director, SIRIM Academy Sdn Bhd (2019 - Present)
- Independent Non-Executive Director, SIRIM QAS International Sdn Bhd (2020 - Present)
- Chairman, SIRIM QAS International Sdn Bhd (2017 - 2020)
- Independent Non-Executive Director, SIRIM Berhad (2017 - 2019)
- Group Managing Director, Puncak Niaga Holdings Berhad (2015 - 2016)
- President & Group Chief Executive Officer, UMW Holdings Berhad (2010 - 2015)
- Chief Operating Officer, Naza Kia Sdn Bhd & Naza Kia Services Sdn Bhd
- Managing Director, Edaran Otomobil Nasional Berhad (2005 - 2009)
- President/Chief Operating Officer DRB-HICOM Group, Honda Malaysia Sdn Bhd (2003 - 2005)
- DRB-HICOM Export Corporation Sdn Bhd (1998 - 2003)
- Director, Proton Cars (UK) Pte Ltd, (1997 - 1998)
- Proton Berhad (1983 - 1998)
- SIRIM Berhad (1979 - 1983)

Award and recognition

- International Excellent Award 2012 from Kuala Lumpur Malay Chamber of Commerce
- Value Creation Award from PNB Corporate Excellence Award
- 2013 Best IPO Deal in Southeast Asia by Alpha Southeast Asia Award
- Toyota President's Gold Award 2013 and 2014



ZAID BIN ABDULLAH

EXECUTIVE DEPUTY CHAIRMAN

AGE : 73 ▲ GENDER : MALE ▲ 

Date of Appointment : 1 November 1990
Board Meeting Attendance in 2024 : 6/6

Academic/professional qualification/membership(s)

- Bachelor of Economics (Accounting), University of Malaya
- Advance Diploma in Accounting, University of Malaya
- Member of Malaysian Institute of Accountants
- Member of Institute of Corporate Directors Malaysia

Experience:

- The founder of Zaiyadal Group
- Executive Director of Shapadu Group of Companies (1982 - 1992)
- Director of Finance in Shapadu Corporation (1978 - 1982)

Award and recognition

- Most Promising Entrepreneurship Award | APEA 2013

He is the spouse of Zaidah binti Mohd Salleh, father of Usamah bin Zaid and Fatimah Zahrah binti Zaid and a major shareholder of PICORP.



DATO' DR. LUKMAN BIN IBRAHIM

GROUP EXECUTIVE DIRECTOR

AGE : 59 ▲ GENDER : MALE ▲ 

Date of Appointment : 9 January 2015
Board Meeting Attendance in 2024 : 6/6

Board Committees Membership(s) :

Member of Board Risk Management & Sustainability Committee

Academic/professional qualification/membership(s)

- PhD in Accountancy, MARA University of Technology (2014)
- Master of Business Administration, Temple University, Philadelphia, USA (1990)
- Bachelor of Business Administration (BBA) Magna Cum Laude (majoring in Accounting and Finance), Temple University, Philadelphia, USA (1989)
- Fellow Member of Association Chartered Certified Accountants (ACCA), UK
- Member of Malaysian Institute of Certified Public Accountants
- Member of Malaysian Institute of Accountant
- Member of Institute of Corporate Directors Malaysia

[read more >](#)

Experience:

- Director HIS Toyyiba Sdn. Bhd. (2021 - present)
- Adjunct Professor at Corporate Strategy Centre, Universiti Malaya (2021 - present)
- Group Executive Director, Zaiyadal Group (2018 - present)
- Director of UKM Holdings (2021 - Feb 2022)
- Adjunct Fellow at Kuliyah of Economics and Management Sciences, International Islamic University Malaysia (2019 - 2020)
- President of ACCA Malaysia Advisory Committee (2014 - 2016)
- Deputy Chief Executive Officer, Proton Holdings Berhad (2012 - 2014)
- Group Chief Operating Officer, DRB-HICOM Berhad (2011 - 2012)
- Group Chief Financial Officer, DRB-HICOM Berhad (2008-2011)
- Proton Berhad (1991 - 2008 : 17 years)
- Proton Part Centre Sdn Bhd
- PHN Industry Sdn Bhd (last position as Managing Director)
- Automotive Corporation (Malaysia) Sdn Bhd (1990 - 1991)
- Sun Refining and Marketing, Philadelphia, USA (1989 - 1990)

Award and recognition

- Best National Award for Management Accounting
- DRB-HICOM's Best CEO of 2007
- Best Vendor Awards from TOYOTA, Honda, Proton and Perodua



ZAIDAH BINTI MOHD SALLEH

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 70 ▲ GENDER : FEMALE ▲ 

Date of Appointment : 1 November 1990
Board Meeting Attendance in 2024 : 6/6

Board Committees Membership(s) :

Member of Audit Committee, Member of Nomination & Remuneration Committee

Academic/professional qualification/membership(s)

- University of Malaya with Bachelor of Economics (Accounting) (1977)
- Advance Diploma in Accounting (1978)
- Member of the Malaysian Institute of Accountants
- Chartered Accountant, Malaysian Institute of Accountants
- Member of Institute of Corporate Directors Malaysia

Experience:

- Co-founder of Zaiyadal Group
- Company Secretary of PICORP Group of Companies
- Group Executive Director, PICORP Group of Companies (2003 - 2009)
- Group Financial Controller, PICORP Group of Companies (1993 - 2003)
- Senior Accountant (Operations), Telekom Malaysia (1989 - 1993)
- Regional Accountant, Regional Accounts Division, Telekom Malaysia (1984 - 1989)
- Financial Controller ("G") Jabatan Telekom (1981 - 1984)
- Accountant, Jabatan Telekom (1978 - 1981)

She is the spouse of Zaid bin Abdullah, mother of Usamah bin Zaid and Fatimah Zahrah binti Zaid and a major shareholder of PICORP.

Board of Directors



DATO' HAJJAH ROSNANI BINTI IBARAHIM

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 71 ▲ GENDER : FEMALE ▲ 

Date of Appointment : 14 May 2012
Board Meeting Attendance in 2024 : 6/6

Board Committees Membership(s) :
Chairperson of Board Risk Management & Sustainability Committee

Academic/professional qualification/membership(s)

- Bachelor of Science Degree in Chemical Engineering, University of Leeds, United Kingdom
- Member of Institute of Corporate Directors Malaysia

Experience:

- Director General of the Department of Environment Malaysia (1998 to 2011)

Award and recognition:

- Asian Environmental Compliance and Enforcement Network (AECEN) Award for Excellence for Environmental Governance in Malaysia (2011)



KAMARUL BAHARIN BIN ALBAKRI

INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 62 ▲ GENDER : MALE ▲ 

Date of Appointment: 1 January 2022
Board Meeting Attendance in 2024 : 6/6

Board Committees Membership(s) :
Chairman of Audit Committee, Member of Nomination & Remuneration Committee

Academic/professional qualification/membership(s)

- Bachelor of Commerce (Accounting) with Honours, the University of Birmingham, England
- Fellow of The Chartered Association of Certified Accountant
- Chartered Accountant of Malaysian Institute of Accountants
- Member of Institute of Corporate Directors Malaysia

Experience:

- Executive Director and Chief Financial Officer, Acorn Renewable Ltd (2021-present)
- Executive Director and Chief Financial Officer, TRX City Sdn Bhd (2016 – 2019)
- Executive Director and Chief Financial Officer, CLIQ Energy Berhad (2012 – 2016)
- Executive Director and Chief Executive Officer, Petra Energy Berhad (2010 – 2011)
- Chief Executive Officer, TH Technologies Sdn Bhd (1996 – 2009)
- Investment Banking and Corporate Finance, Arab-Malaysian Merchant Bank Berhad (now known as AmlInvestment Bank Berhad) (1994 – 1996)
- Audit and Business Advisory, Arthur Andersen & Co. (1988 – 1994)



PROF. DATO' IR. DR. MOHD HAMDI BIN ABD SHUKOR

INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 53 ▲ GENDER : MALE ▲ 

Date of Appointment: 1 July 2024
Board Meeting Attendance in 2024 : 3/3

Board Committees Membership(s) :

Chairman of Nomination & Remuneration
Committee, Member of Audit Committee

Academic/professional qualification/membership(s)

- Doctor of Engineering Degree, Kyoto University, Japan
- Master of Science degree in Advanced Manufacturing and Management Technology of University of Manchester Institute of Science and Technology, Manchester
- Bachelor of Engineering (Mechanical) of Imperial College, London
- Member of Institute of Corporate Directors Malaysia

Experience:

- Board Member, University of Sharjah, UAE (2022 - present)
- Vice President and Administrative Board Member, International Association of Universities (2022 - present)
- Council Member, Association of Commonwealth Universities (2022 - 2023)
- Steering Committee Member, Asia Pacific Rims Universities (2022 - 2023)

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- Executive President, Asia Universities Alliance (2021 - 2022)
- Vice Chancellor, Universiti Kebangsaan Malaysia (2019)
- Visiting Professor, University of California, Los Angeles (2015 - 2016)
- 13th Vice Chancellor, Universiti Malaya (1995 to October 2023)



DATO' SERI ROSMAN BIN MOHAMED

INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 63 ▲ GENDER : MALE ▲ 

Date of Appointment: 26 August 2024
Board Meeting Attendance in 2024 : 2/2

Board Committees Membership(s) :

Member of Audit Committee, Member of Board
Risk Management & Sustainability Committee

Academic/professional qualification/membership(s)

- Master of Business Administration, Saint Louis University, Missouri
- Bachelor of Administration, Urbana University, Ohio
- Executive Diploma in Marketing and Selling Bank Services, International Management Centre, Buckingham
- Diploma in Accountancy, Ungku Omar Polytechnic, Perak
- Member of Institute of Corporate Directors Malaysia

Experience:

- Independent Non-Executive Director, Khind Holdings Berhad (2021 - Present)
- Independent Non-Executive Director, Eco World Development Group Berhad (2022 - Present)
- Independent Non-Executive Director, Boustead Holdings Berhad (2021 - Present)
- Chairman, Ni Hsin EV Tech Sdn. Bhd. (2022 - Present)

[read more >](#)

Board of Directors



USAMAH BIN ZAID

ALTERNATE DIRECTOR TO
ZAID BIN ABDULLAH

AGE : 41 ▲ GENDER : MALE ▲ 

Date of Appointment: 1 July 2020

Academic/professional qualification/membership(s)

- Master in Business Administration, Management & Science University (2015)
- General Islamic Studies, Darul Uloom Zakariya Islamic University, South Africa (2010)
- Member of Institute of Corporate Directors Malaysia

Experience:

- General Manager - Special Projects, Progressive Impact Corporation Berhad (March 2024 - present)
- Chief Executive Officer, Alam Sekitar Malaysia Sdn Bhd (2021 - March 2024)
- Deputy Chief Executive Officer, Alam Sekitar Malaysia Sdn Bhd (2020)
- Senior General Manager, Zaiyadal Keluarga Sdn Bhd (2020)
- Chief Executive Officer, Intelligent Aqua Sdn Bhd (2018 - 2019)
- General Manager (Business Development), Alam Sekitar Malaysia Sdn Bhd (2016 - 2018)
- Business Development Executive, Alam Sekitar Eco-Technology Sdn Bhd (2013 - 2016)
- Business Development Executive, PJ Bumi Berhad (2010 - 2013)
- Syariah Advisor to the Group, Progressive Impact Corporation Berhad (July 2010 - October 2010)

Usamah is the son of Zaid bin Abdullah and Zaidah binti Mohd Salleh and brother of Fatimah Zahrah binti Zaid.



FATIMAH ZAHRAH BINTI ZAID

ALTERNATE DIRECTOR TO
ZAIDAH BINTI MOHD SALLEH

AGE : 40 ▲ GENDER : FEMALE ▲ 

Date of Appointment : 9 April 2015

Academic/professional qualification/membership(s)

- Bachelor Degree in Engineering (Chemical), University of Malaya
- Master in Business Administration, Putra Business School, University of Putra Malaysia (UPM)
- Member of Institute of Corporate Directors Malaysia

Experience:

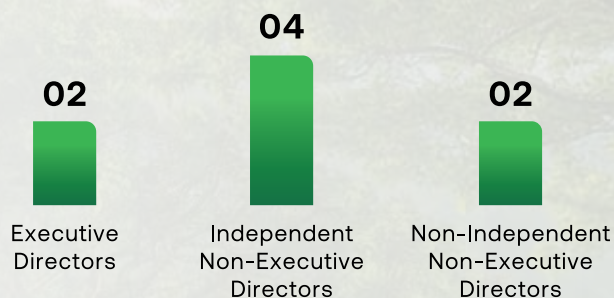
- General Manager, Zaiyadal Sdn Bhd (2017 - present)
- Proposal Engineer, Foxboro (Malaysia) Sdn Bhd (2010 - 2013)
- Project Engineer, Foxboro (Malaysia) Sdn Bhd (2007 - 2010)

Fatimah Zahrah is the daughter of Zaid bin Abdullah and Zaidah binti Mohd Salleh and sister of Usamah bin Zaid.

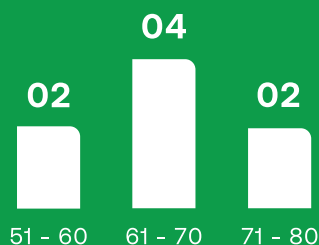
Board Diversity

2024

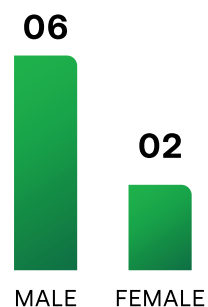
POSITION



AGE



GENDER DIVERSITY



RACE / ETHNICITY

MALAY 08

NATIONALITY

MALAYSIAN 08

Executive Leadership Team



DATO' DR. LUKMAN BIN IBRAHIM

Group Executive Director
Progressive Impact Corporation Berhad

AGE : 59

GENDER : MALE



Date of Appointment : 1 March 2018

Note: The full profile is available at the Board of Directors Section of the Annual Report 2024.



DR. CHIN TEEN TEEN

Chief Executive Officer
ALS Technichem (Malaysia) Sdn. Bhd.,
ALS Technichem (PG) Sdn. Bhd. &
PT ALS Indonesia

AGE : 61 | GENDER : FEMALE | 

Date of Appointment : 1 November 1998

Academic/Professional Qualification(s)

- › PhD in Analytical and Inorganic Chemistry, University of Vermont, USA.
- › MSc (Chemistry), University of British Columbia, Canada.
- › BSc, University of New Brunswick, Canada.

Experience:

Joined ALS in March 1997 and has held the current position since November 1998.



HAMSIAH BINTI KHALID

Group Chief Financial Officer

AGE : 53 | GENDER : FEMALE | 

Date of Appointment : 16 June 2020

Academic/Professional Qualification(s)

- › Bachelor of Accountancy, Universiti Pertanian Malaysia
- › Master in Business Administration, Management & Science University
- › Certified Chartered Accountant, Malaysian Institute of Accountants

Experience:

Joined PICORP as an Internal Auditor in 2001 and later in 2008, she was appointed as the Group Financial Controller of PJBumi Berhad until PICORP's divestment in the company. Since 2014, she has served as the Group Financial Controller of Progressive Impact Technology Sdn Bhd, an associate company of PICORP.



AZHAR BIN TAIB @JALAL

Chief Executive Officer
Alam Sekitar Malaysia Sdn Bhd

AGE : 53 | GENDER : MALE | 

Date of Appointment : 1 March 2024

Academic/Professional Qualification(s)

- › Master of Management, Asia Metropolitan University
- › Chartered Accountant, Malaysia Institute of Accountant
- › Bachelor of Accountancy (Hons.), University Utara Malaysia

Experience:

Joined PHN Industry Sdn Bhd, a DRB-HICOM subsidiary, in 2004, serving as both CEO and CFO. Transitioned to the MITI Government Agency as Deputy CEO in 2018. Later, joined Silver Ridge Holdings Berhad as CFO in 2022 before joining Dagang NexChange Berhad as Head of Corporate Planning and Governance in 2023. In 2024, joined PICORP as General Manager - Special Projects and later appointed as CEO at Alam Sekitar Malaysia Sdn Bhd.



ABDULLAH BIN OMAR

Chief Executive Officer
Saudi Asma Environmental Solutions LLC

AGE : 42 | GENDER : MALE | 

Date of Appointment : 1 January 2022

Academic/Professional Qualification(s)

- › MBA (Islamic Finance), IIUM, Malaysia
- › M.A. (Hadith), Darul Ulum, Pakistan
- › B.A. (Fiqh), Darul Ulum, Pakistan

Experience:

Joined Bank Islam in 2011 as part of the Bank's Product Development Department. Subsequently joined Al Rajhi Bank (Malaysia) in 2016 with his last position as Head of Shariah Advisor until 2019. Joined Zaiyadal Group as General Manager of Benta Mining Sdn Bhd from 2018 until 2021. Appointed as COO of Saudi Asma Environmental Solutions LLC in 2022 and subsequently as CEO.

PICORP Management Team



From Left to Right

1 NADZRAH BINTI HASHIM

Senior General Manager - GED Office

2 TS.AHMAD SHAHDAN BIN KASSIM

Senior General Manager - Research & Development

3 AZLI BIN MOHD ZIN

General Manager - Group Legal, Secretarial & Human Capital

4 USAMAH BIN ZAID

General Manager - Special Projects (GED Office)

PICORP Management Team



From Bottom Left to Top Right

5 ABD. RAZAK BIN MASIRUN

Manager - Group IT Support

6 NIK AZRAN IZHAR BIN NIK AHAMED

Manager - Group Facilities & Building Maintenance

7 AZIZAH BINTI SALLEH

Senior Manager - Finance

8 MALIZA BINTI MOHARI

Manager - Secretarial (Group Legal & Secretarial)

9 NUR LIYANA BINTI AHMAD

Manager - Group Human Capital

10 AIREEN SHAREENA BINTI ZAINUDDIN

Manager - Legal (Group Legal & Secretarial)

11 NUR AISYAH BINTI AZIZI

Acting Manager - Group Corporate Communication
& Digital Marketing

Environmental Monitoring, Consultancy & Services Team



AZHAR BIN TAIB @JALAL
Chief Executive Officer
Alam Sekitar Malaysia
Sdn. Bhd.



ARDI BIN BAKHTIAR
General Manager
► Marketing & Sales



SUZANA BINTI SHAARI
Acting General Manager
► Environmental Execution



**ZAFINA BINTI
ZAINOL ABIDIN**
Manager
► EMS & Air Segment



**NUR RABIATOL NAFISAH
BINTI SUDIN**
Manager
► Finance



**MUHAMAD RODZAKIE
BIN ABAS**
Manager
► Wastewater Segment



**MIMI SHUHAIDAH
BINTI YUSOF**
Manager
► Technical & Engineering



SAMSUL BIN KASPIN
Manager
► Digitalisation



**SITI ZUBAIDAH BINTI
MAT SAAD**
Manager
► Water Segment



**NORSYAFINA BINTI
MOHD SAID**
Manager
► Marketing & Sales



**NORMASZILINA
BINTI MAAROF**
Acting Manager
► Contract Management
& Procurement

Environmental Monitoring, Consultancy & Services Team



ABDULLAH OMAR
Chief Executive Officer
Saudi ASMA Environmental
Solutions LLC



MUHAMMAD BIN ISMAIL
Financial Controller
► Finance



FAHAD ALMOWALAD
Senior Executive
► Business Development



ENG. SAIF ALMAJALI
Head of IPM Dept.
► Integrated Pest Management (PV)



DR. MONER TAGELSIR
Project Manager Makkah KPI
► Public Health / Lab (PH)



DR. YOUSSEF ELSMANI
Head of Public Health Dept.
► Public Health / IPM (PH)



**ATIRAH SYAMIMI
BINTI AZMI**
Business Development
Executive
► EMCS



ENG. RANI SAEED
Senior Business
Development Executive
► Waste Management &
Sustainability

Laboratory Testing Services Team



DR. CHIN TEEN TEEN
Chief Executive Officer
ALS Technichem (Malaysia) Sdn. Bhd.,
ALS Technichem (PG) Sdn. Bhd.
& PT ALS Indonesia



SUZANA OTHAMAN
Manager
► Finance



YAP CHEN LOON
Technical Business Manager
► Biotech



CHRIS LIM ENG HWA
Sales Manager
► Client Service - Food



ABDUL QAIYUM BIN MUSA
Technical Business Manager
► Client Service - Environment



DR. CH'NG AI YING
Laboratory Manager
► Food



**HANNAH YASMIN ANNE
BINTI ABDULLAH LEE**
Laboratory Manager
► Microbiology



NAZIRAH BINTI ARIFFIN
Laboratory Manager
► Environment



DANNY YEO SIOW YAK
Manager
► Quality



FAISAL BIN HUSSIN
Senior Chemist
► Sampling



**SUZILAWATI
BINTI SUTRISNO**
Sample Login Supervisor
► Environment



**RAJA ZUBAIDAH
BINTI RAJA SABARADIN**
Chemist
► Research & Development

Laboratory Testing Services Team



JONES HUTAGAOL
Manager
► Finance & Admin



SUZANNA O.R. LUMME
Business Manager
► Marketing & Sales



SISCA NURHAFIFA
Laboratory Manager
► Sentul



ASYIK AULADI
Manager
► Project



**ENDANG AYU
SULISTYANINGSIH**
Quality Coordinator
► QC & HES



**GEORGIANA
PAULUS MOLIMBO**
Research & Development
► Laboratory - Pekanbaru





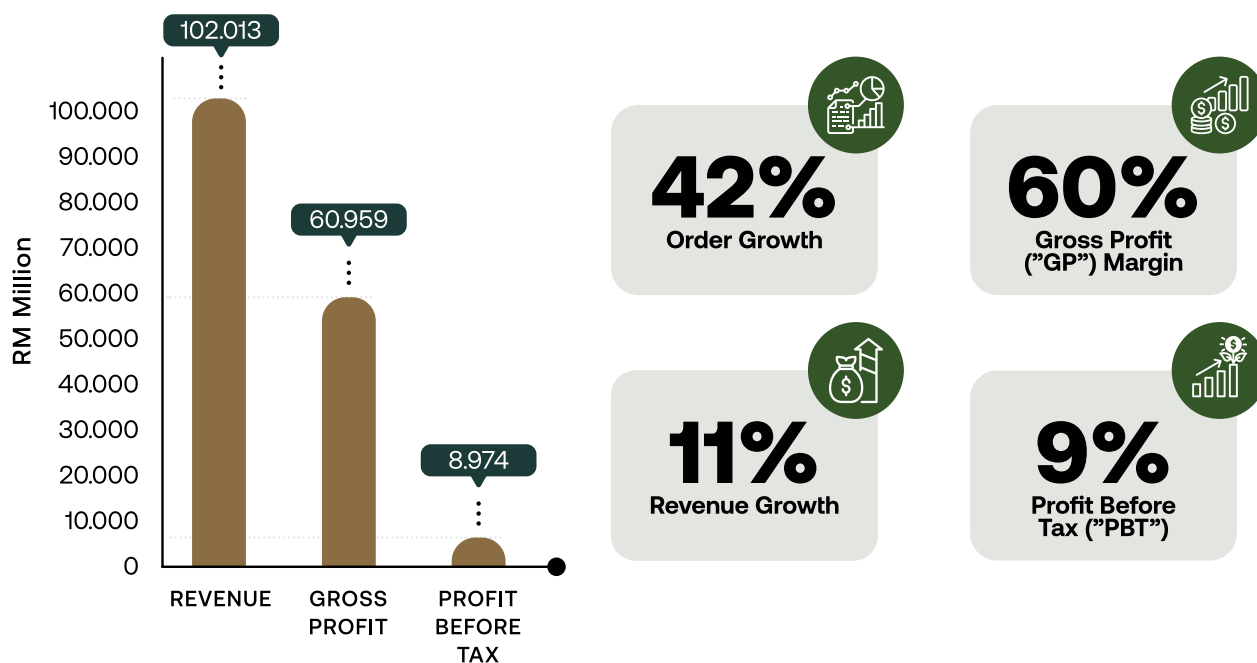
03

Performance



MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

FINANCIAL HIGHLIGHTS



FINANCIAL PERFORMANCE

Progressive Impact Corporation Berhad ("PICORP") is pleased to present its review of the Group's performance for the Financial Year Ended 2024 ("FY2024") together with an overview of its financial performance over the past five financial years from 2020 to 2024.

In the face of a challenging and uncertain global economic climate, PICORP achieved commendable progress, recording a solid improvement in its financial performance for FY2024. PICORP's book order has increased significantly by 42% as compared to FY2023 whilst PICORP's revenue has increased by 11%. GP margin has increased to 60% (FY2023: 57%), contributing to a higher PBT margin of 9% (FY2023: PBT 7%).

FIVE-YEAR PERFORMANCE REVIEW

The momentum of the previous outcome of growth strategic initiatives undertaken by PICORP to grow its business in the environmental monitoring and consultancy segment in particular, has further been strengthened with the implementation of the Group 3-year turnaround plan – Road to Profitability.

Our turnaround strategy encompasses the following areas:

a. Revenue Growth:

Environmental Monitoring, Consultancy and Services ("EMCS")

The Company is well-positioned to navigate market uncertainties by reinforcing its focus on core sectors. EMCS will continue to drive growth in Malaysia, leveraging opportunities in drinking water and waste water treatment solutions.

Environmental training and monitoring services will continue to be the segment's key focus areas, building on the momentum from the previous year. Continuous efforts directed toward key clients, ensuring continuity and recurring job orders. Similarly, environmental monitoring services will continue to focus on the development of strategic projects, such as Environmental Digitalization, for potential clients.

In Saudi Arabia, we will leverage our expertise and experience in the Integrated Pest Management ("IPM") to drive expansion in both the public and private sectors.

Laboratory Testing Services ("LTS")

Lab testing services will maintain dominance in environmental, food safety, and pharmaceutical testing via innovative methods and streamlined report delivery. Efforts to enhance operational efficiency, cost management, and Customer Relationship Management ("CRM") integration will further solidify the Company's resilience.

Our new focus will be on halal segment, exploring the development of halal trading platform and halal testing services for global market. Additionally, the Group's expansion into the agrochemical segment has positively impacted the Group's financial performance.

b. Cost Optimisation and Margin Improvement

PICORP has undertaken a thorough review of its cost structure, identifying areas of inefficiencies and cost overruns. We have implemented various cost-cutting measures, including renegotiating supplier contracts, hiring freeze and optimising manpower.

c. Product/Service Innovation

Innovation plays a pivotal role in our turnaround strategy, and we have invested significantly in research and development initiatives.

Notably, we have recently launched a wastewater treatment product to address the pollution arising from palm oil mill effluent and has the potential to become a key revenue driver with the impending revision of Water Services Industry Act 2006 as well as the Environmental Quality Act 1974 on the effluent standard for Palm Oil Mill Effluent.

d. Streamlined Operations

Improving operational efficiency is a fundamental aspect of our turnaround plan. We have undertaken a comprehensive review of our internal processes and identified areas for optimisation.

Lean management principles have been implemented across various departments, resulting in improved productivity, reduced lead times, and enhanced overall operational efficiency.

We have also invested in advanced technology and automation solutions to streamline workflows and enhance productivity.

e. Improved Liquidity

Addressing our financial obligations is paramount in our turnaround efforts. We have managed to renegotiate favourable terms with our creditors. As a result, we have successfully restructured a substantial portion of our debt, resulting in improved cash flow management and reduced financial strain.

Additionally, we managed to secure new financing arrangement to further improve our liquidity. We also propose to execute a corporate exercise in respect of specific issuance of ordinary shares to specific shareholders.

f. Corporate Governance and Risk Management

As part of our turnaround strategy, we have strengthened our corporate governance practices and implemented a robust risk management framework to safeguard our stakeholders' interests.

PICORP has demonstrated a strong post-COVID recovery, with order volume increasing from RM80.597 million in FY2022 to RM82.858 million in FY2023, and surging to RM117.653 million in FY2024. This marks a significant shift in order growth from -1% in FY2022 to a notable 42% in FY2024.

Similarly, revenue growth followed an upward trend, rising from RM90.285 million in FY2022 to RM92.035 million in FY2023, and further to RM102.013 million in FY2024, reflecting an improvement in revenue growth from -2% in FY2022 to 11% in FY2024.

PICORP GROUP AT A GLANCE



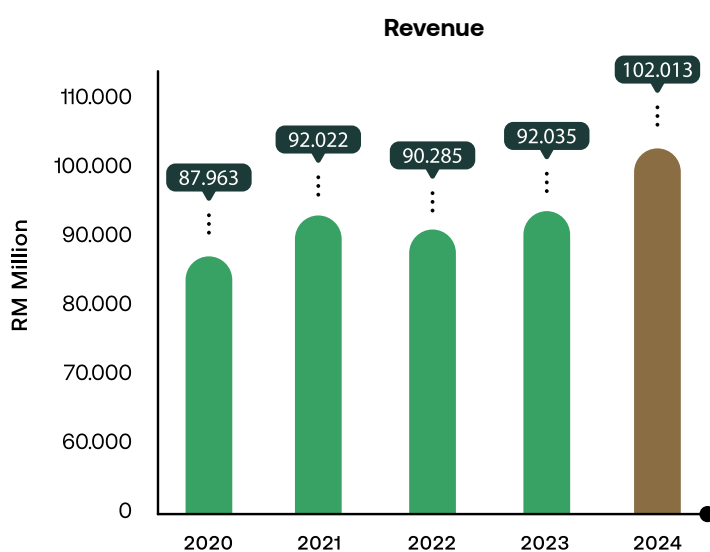
FIVE-YEAR GROUP FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 31 December 2024	2020	2021	2022	2023	2024
Key operating results (RM thousand)					
Order	90,657	81,039	80,597	82,858	117,653
Revenue	87,963	92,022	90,285	92,035	102,013
Costs of sales	(35,616)	(39,531)	(43,059)	(39,290)	(41,054)
Gross profit	52,347	52,491	47,226	52,745	60,959
Other income	1,097	2,356	3,076	4,736	1,970
Administrative and other operating expenses	(42,271)	(46,672)	(46,282)	(45,681)	(47,482)
Zakat	(533)	(403)	(601)	(517)	(465)
Profit from Operations	10,640	7,772	3,419	11,283	14,982
Finance costs	(2,956)	(3,962)	(3,931)	(4,952)	(6,008)
Profit / (Loss) before tax	7,684	3,810	(512)	6,331	8,974
Tax expense	(4,611)	(4,053)	(2,838)	(3,726)	(5,265)
Profit / (Loss) after tax	3,073	(243)	(3,350)	2,605	3,709
Profit / (Loss) attributable to:					
- Owners of the company	(2,813)	(6,129)	(9,737)	(3,582)	(4,022)
- Non-controlling interests	5,886	5,886	6,387	6,187	7,731
Profit / (Loss) after tax	3,073	(243)	(3,350)	2,605	3,709

**FINANCIAL YEAR ENDED
31 December 2024**

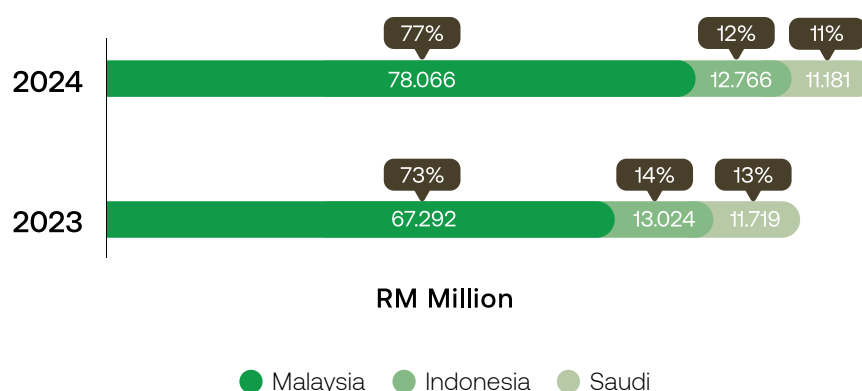
	2020	2021	2022	2023	2024
Other key data (RM thousand)					
Total assets	178,114	183,360	177,250	184,556	180,376
Cash and bank balances	27,788	30,572	31,248	39,037	44,644
Total liabilities	74,130	86,861	93,525	104,387	101,784
Bank borrowings	48,399	56,915	58,411	58,886	62,739
Shareholders' equity	73,532	65,289	52,229	47,726	44,443
Gross profit margin	60%	57%	52%	57%	60%
PBT margin	9%	4%	-1%	7%	9%
Financial Ratios					
Order growth	-37%	-11%	-1%	3%	42%
Revenue growth	-12%	5%	-2%	2%	11%
Current ratio	1.44	1.23	1.10	0.98	0.99
Debt / equity ratio	0.27	0.34	0.39	0.42	0.39
Share Statistics					
Net dividend per share (sen)	0.30	0.30	0.30	-	-
Dividend yield	2.73%	2.73%	1.15%	-	-

2024 FINANCIAL PERFORMANCE REVIEW



The increase in PICORP's revenue to RM102.013 million in FY2024 from RM92.035 million in FY2023 was driven by higher revenue contributions from local operations in the lab testing services segment. Additionally, following the acquisition of ALS PG on 29 September 2023, the agrochemical segment contributed RM5.000 million (FY2023: RM0.922 million) to the Group's revenue.

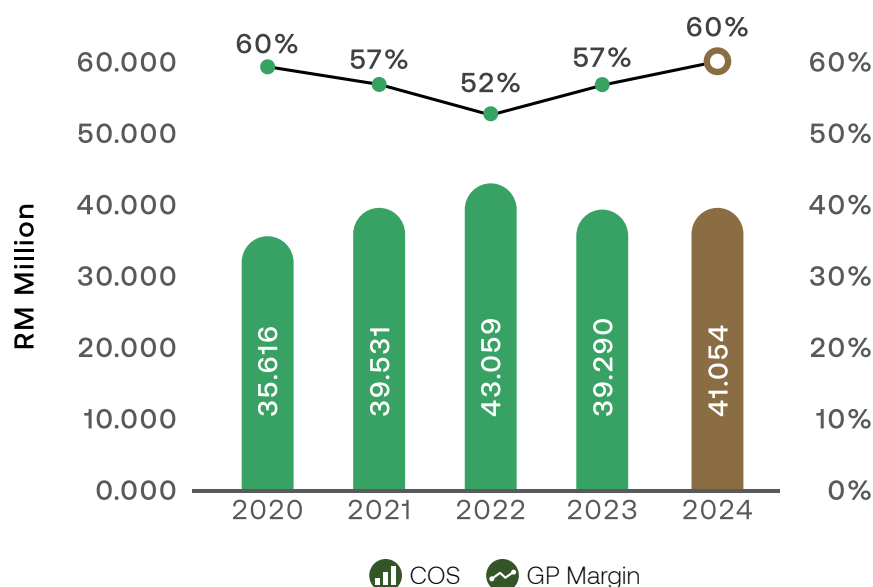
Revenue Contribution by Geographical Breakdown (RM Million)



In terms of geographical breakdown, the overall increase in revenue by 11% or RM9.978 million was attributed to the increase in revenue from Malaysia operations by RM10.774 million which was partially offset by decrease in revenue contribution from Indonesia and Saudi operations by RM0.258 million and RM0.538 million respectively.

In FY2024, Malaysia remained the largest revenue contributor, accounting for 77% of the total revenue, an increase from 73% in FY2023. Meanwhile, Indonesia's revenue contribution declined slightly to 12% from 14% in FY2023, while Saudi operations accounted for 11% to the revenue, experiencing a slight decrease from the FY2023 of 13%.

Cost of Sales ("COS") / Gross Profit ("GP") Margin



PICORP recorded a slightly higher COS of RM41,054 million in FY2024 compared to RM39,290 million in FY2023 despite a significant 11% increase in revenue. This was driven by effective cost optimisation initiatives that led to higher margins contributed by the Malaysia operations from both the environmental and lab testing services segments.

PICORP's COS mainly comprised of subcontractor costs, manpower costs, equipment cost, consumables and lab cost.

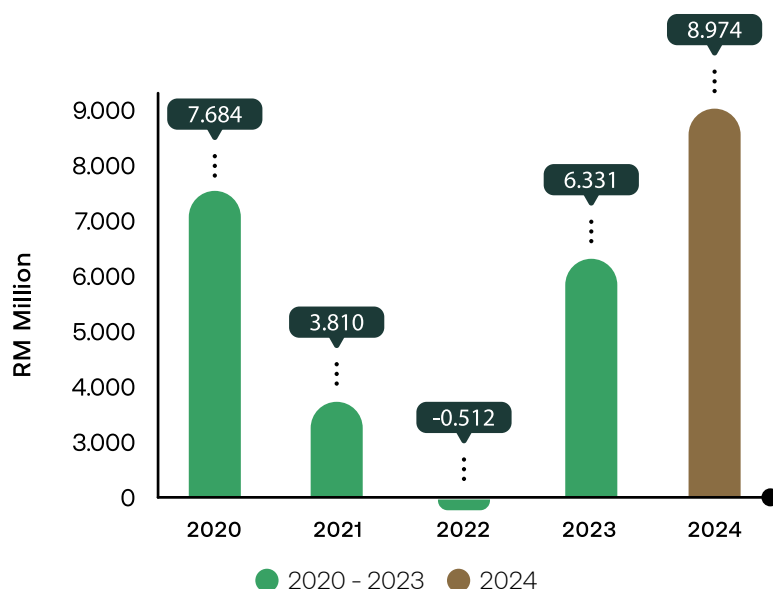
- Subcontractor costs include the costs for the technical consultancy, laboratory analysis and testing services as well as installation of the environmental monitoring equipment.
- Manpower costs refer to wages, benefits and compensations paid to lab and execution staff who provided the services to our clients.
- Equipment costs refer to the environmental equipment (analysers and sensors).
- Lab consumable costs consist of chemicals, field supplies, and lab expendables.
- Other expenses include royalties, travelling, rental costs and repairs & maintenance.

Subcontractor costs are the major component of PICORP's COS structure and accounted for 31% (FY2023: 38%) of the total COS for the year followed by manpower costs which accounted for 28% (FY2023: 24%) of the total COS. Consumables and lab costs are the third highest component of PICORP COS and accounted for 20% (FY2023: 16%). Equipment costs made up 8% (FY2023: 8%) of the total COS for the year while the remaining others accounted for 14% (FY2023: 14%).

GP Margin

The increase in the GP margin to 60% from 57% in FY2023 was driven by a significant improvement in the GP margin recorded by both the Malaysia's environmental and lab testing services segments in FY2024.

Profit / (Loss) Before Tax ("PBT / (LBT)")



PICORP reported a Profit Before Tax ("PBT") of RM8.974 million, an improvement from RM6.331 million in the FY2023. Consequently, the PBT margin increased to 9%, up from 7% in FY2023.

Other Income

Other income primarily comprises of realised and unrealised foreign exchange gain, profits from deposit placements with financial institutions and income from the provision of IT support services to related companies. In FY2024, other income declined to RM1.970 million (FY2023: RM4.736 million), primarily due to a lower gain on disposal of motor vehicles recorded in FY2024 of RM0.025 million compared to RM1.211 million reported in FY2023 and foreign exchange gain of RM1.671 million in FY2023 (FY2024: RM Nil).

Finance cost

Finance cost increased significantly by 21% to RM6.008 million in FY2024 (FY2023: RM4.952 million), due to higher facility utilisation to support operational needs.

Administrative and Other Operating Expenses

Administrative and other operating expenses have increased by 4% to RM47.482 million (FY2023: RM45.681 million), primarily driven by a RM4.307 million rise in personnel costs due to an increase in headcount, offset against lower other operating expenses resulting from lower impairment of receivables by RM0.775 million and reversal of impairment of receivables of RM0.954 million during the year.

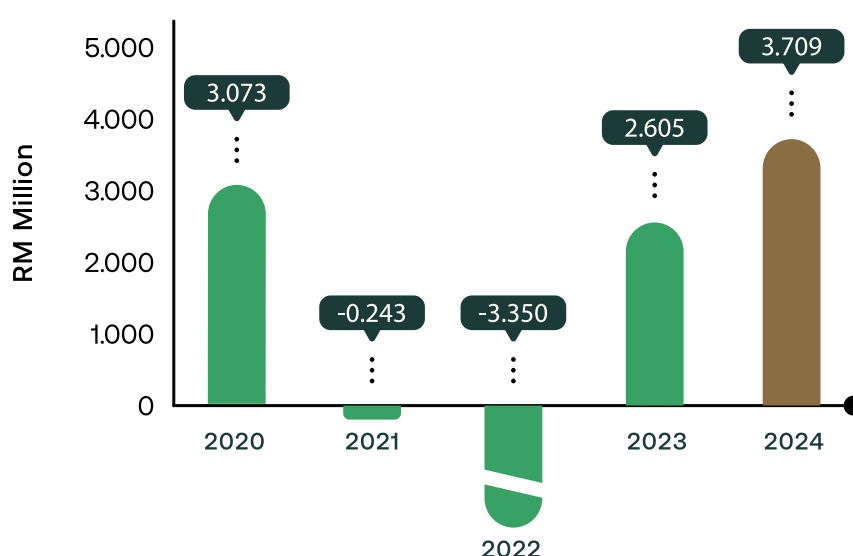
Zakat

Zakat for FY2024 was recorded at RM0.465 million, a 10% decrease from RM0.517 million in FY2023 million due to lower provision made during the year.

Tax Expenses

Tax expenses incurred during the year amounted to RM5.265 million as compared to RM3.726 million recorded in FY2023. The increase was mainly due to higher PBT recorded by the local lab testing services segments and the recognition of deferred tax assets in FY2023 for the local environmental segment.

Profit / (Loss) After Tax ("PAT/(LAT)")



The Group's Profit After Tax ("PAT") rose to RM3.709 million from RM2.605 million in FY2023, with the PAT margin improving to 3.6% from 2.8% in FY2023.

WORKING CAPITAL MANAGEMENT

PICORP Group's business has been financed via a combination of internal and external sources of funds. The internal sources comprise shareholders' equity and cash generated from the business operations while external sources are from various credit facilities extended to PICORP Group by the financial institutions. PICORP Group's principal utilisation of funds has been for its business growth and operations.

PICORP's financing structure is largely made up of short-term borrowings which is used to finance the business operations. The total borrowings as of FY2024 had slightly increased by 7% to RM62.739 million as compared to RM58.886 million in FY2023. Higher facility utilisation and increased profit rate charged by the banks have resulted in higher finance costs incurred amounting to RM6.008 million (FY2023: RM4.952 million).

In FY2024, PICORP's cash and bank balances grew to RM44.644 million, an increase of 14% from RM39.037 million in FY2023. PICORP's liquidity position slightly improved, with the current ratio rising to 0.99 times in FY2024 compared to 0.98 times in FY2023, reflecting stronger short-term financial health. The debt gearing ratio also improved to 0.39 times from 0.42 times in FY2023, supported by stronger cash and bank balances and a reduction in trade payables.

The Board of Directors of PICORP is of the opinion that, after taking into consideration the cash and cash equivalents, trade receivables, expected funds to be generated from operating activities and amount unutilised under the existing banking facilities, PICORP Group will have adequate working capital to meet their present and foreseeable requirements for a period of 12 months from the date of this Annual Report.

LABORATORY TESTING SERVICES



ENVIRONMENTAL MONITORING, CONSULTANCY AND SERVICES



PICORP's major businesses are the provision of EMCS and LTS. PICORP presence in the environmental segment is represented by the operations in Malaysia namely Alam Sekitar Malaysia Sdn Bhd ("ASMA") and the operations in Saudi Arabia namely Saudi Asma Environmental Solutions LLC ("SAES") and Asma Advanced Solutions LLC ("Asma Advanced") while the laboratory testing segment is represented by ALS Technichem (M) Sdn Bhd ("ALS Malaysia") and ALS PG, which was newly acquired on 29 September 2023, in Malaysia and PT ALS Indonesia ("ALS Indonesia") in Indonesia.

PICORP provides services to various sectors such as environmental, oil and gas, power, utility, food, pharmaceutical and agrochemicals. These clients are mainly private sectors, state governments and municipalities in Malaysia, Indonesia and Saudi Arabia.

The EMCS include monitoring services (air, water, noise, and vibration), monitoring equipment and system integration (continuous air/water quality monitoring system), consultancy services (environmental impact assessment and environmental management plan), and environmental data management and environmental training.

The scope of supply and services under EMCS within Malaysian operations comprises air monitoring, water monitoring, domestic wastewater treatment, and water & industrial wastewater treatment, while Saudi operations focuses more on the supply of public health management and integrated pest management services.

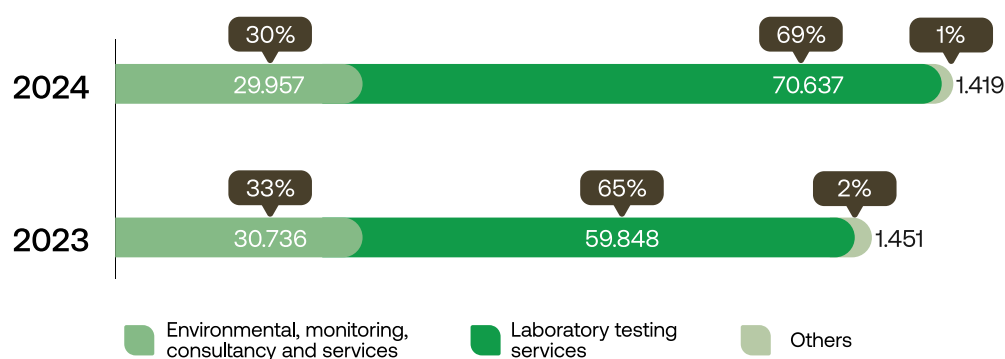
In the environmental segment, ASMA maintained its position as the Department of Environment's ("DOE") strategic partner for Environmental Sustainability in 2023. ASMA has held this role as the DOE's strategic partner for Environmental Sustainability since 2016.

LTS include provision of environmental sampling & testing, food safety testing including halalan toyyiban assurance testing and pharmaceutical & medical devices testing. In the food and pharmaceutical industry, the segments are further broken down into Nutrition and Contaminants. Similarly, in the environmental industry, the segments comprise Air Industrial Hygiene, Environmental Health, Organics and Inorganics. The Company has also expanded its scope of service covering agrochemical testing with the recent acquisition of ALS PG.

The laboratory testing segment continues to operate as one of Malaysia's largest analytical and testing services businesses and our partnerships span across major sectors including environmental, food, pharmaceutical industrial and tribology services. Its presence in the strategic locations in Malaysia comprising 1 hub and 3 spokes, makes it accessible to customers. The Company has also expanded its footprint in the northern region, increasing its market share.

Backed by strong brand presence and outstanding quality services, ALS Malaysia alongside its subsidiary company, ALS Indonesia, are among the top laboratory testing providers in the environmental, food, pharmaceutical as well as tribology sectors in Malaysia and Indonesia. ALS Malaysia is also recognised as Makmal Panel Halal Malaysia by the Department of Islamic Development Malaysia ("JAKIM") and received other recognitions from Kementerian Kesihatan Malaysia (Bahagian Keselamatan Makanan, Air), National Institute of Occupational Safety and Health ("NIOSH"), BioNexus Partners ("BNP") Status Laboratory by Bioeconomy Development Corporation, Ministry of Environment and Water, National Pharmaceutical Regulatory Agency ("NPD") and GMP Plus Registered Laboratory "(GMP+)" for mycotoxin, heavy metals and pesticides. Additionally, ALS PG is the only lab in Malaysia with Good Laboratory Practice ("GLP") under Department of Standards Malaysia ("DSM"), allowing it to conduct lab testing of agrochemicals such as pesticides and fertilisers.

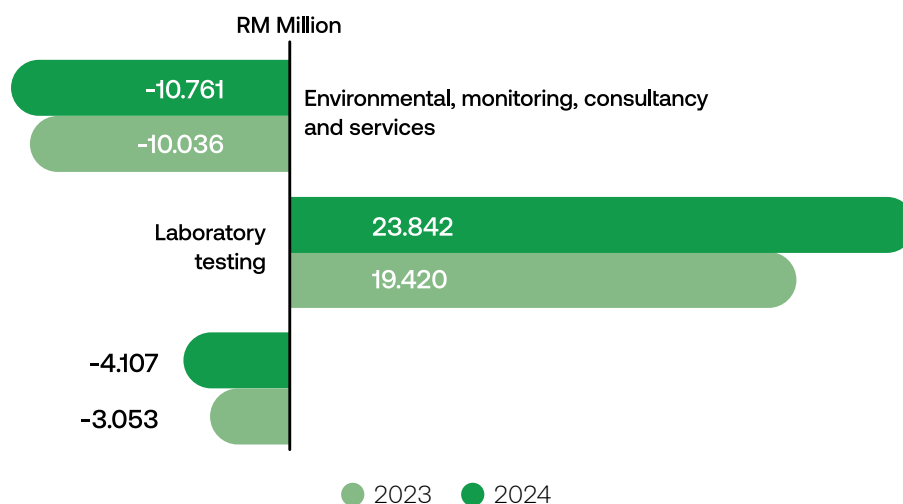
Revenue Contribution from Core Businesses



The overall increase in revenue by 11% to RM102.013 million in FY2024 (FY2023: RM92.035 million) was primarily driven by an 18% growth in the laboratory testing services segment.

The Laboratory testing services segment remained the largest revenue contributor, accounting for 69% of the total revenue (FY2023: 65%), with the segment's revenue rising significantly to RM70.637 million from RM59.848 million in FY2023. The environmental monitoring, consultancy and services segment contributed 30% or RM29.957 million revenue, reflecting a 3% decline from RM30.736 million in FY2023. Meanwhile, other supporting products and services accounted for the remaining 1% (FY2023: 2%) with revenue slightly decreasing to RM1.419 million from RM1.451 million in FY2023.

PBT / (LBT) Contribution from Core Businesses

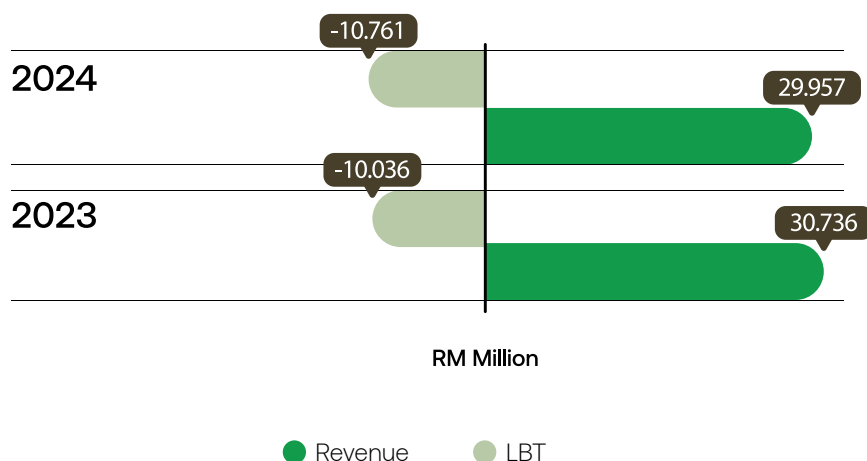


In terms of profitability, similar to revenue, the laboratory testing services segment remained the major contributor for PICORP's PBT in FY2024. The segment's PBT contribution has increased significantly by 23% to RM23.842 million from RM19.420 million in FY2023.

The Others segment, which includes the net of results from office rental, investment activities and corporate elimination, recorded a 35% increase in losses from RM3.053 million in FY2023 to RM4.107 million in FY2024, primarily due to higher personnel costs.

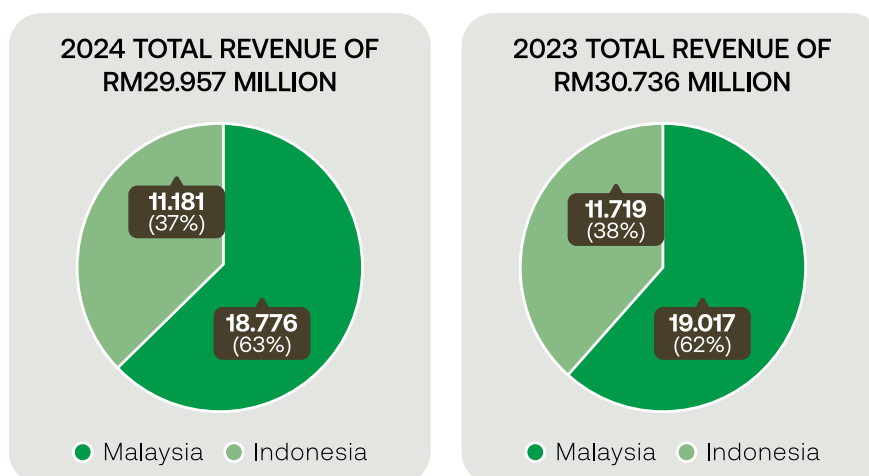
The environmental monitoring, consultancy, and services segment continued to incur losses in FY2024. The losses increased by 7% to RM10.761 million in FY2024 from RM10.036 million in FY2023 mainly due to higher losses reported by the Saudi operations.

ENVIRONMENTAL MONITORING, CONSULTANCY AND SERVICES



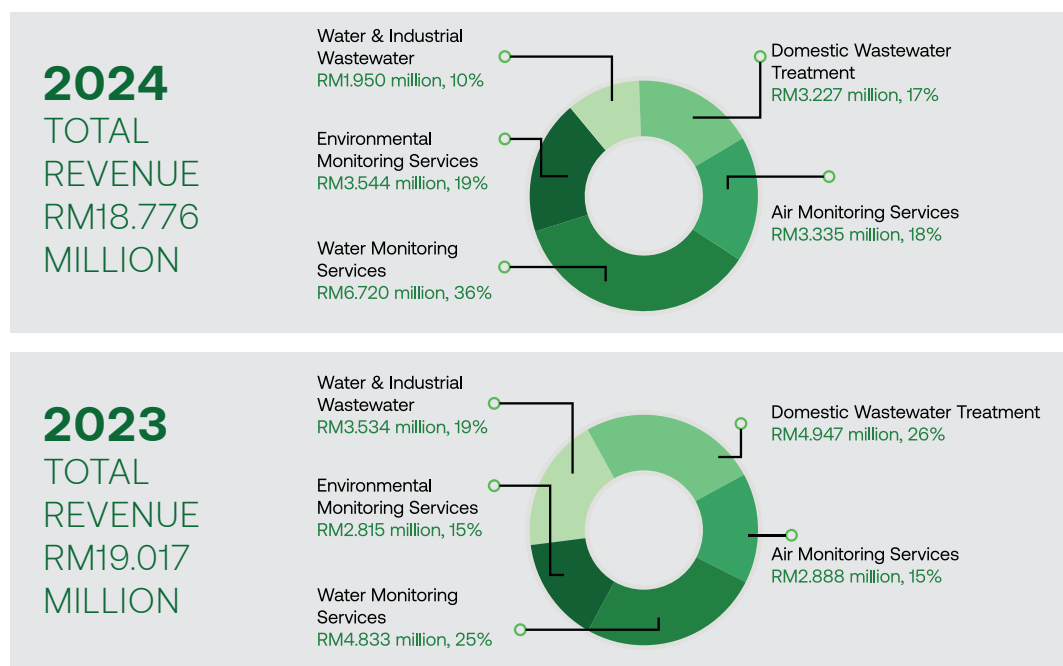
For FY2024, revenue from the environmental monitoring, consultancy and services segment declined slightly by 3% to RM29.957 million from RM30.736 million in FY2023. As a result, the segment's Loss Before Tax (LBT) increased by 7% to RM10.761 million compared to RM10.036 million in FY2023, largely attributed to substantial losses from the Saudi operations.

Revenue Contribution by Geographical Breakdown



For FY2024, the environmental monitoring, consultancy and services segment recorded a slight decline in revenue to RM29.957 million (FY2023: RM30.736 million), primarily due to a 5% decrease in contributions from Saudi operations. Meanwhile, revenue from Malaysia operations marginally decreased to RM18.776 million in FY2024, compared to RM19.017 million in FY2023.

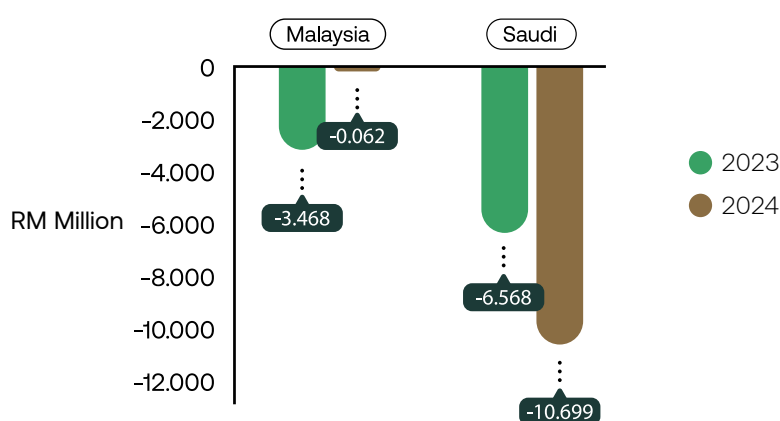
Revenue Contribution from Malaysia Operations by Sub-Segment



Major revenue contributors for environmental monitoring, consultancy and services segment in Malaysia for FY2024 were water monitoring services of RM6.720 million (FY2023: RM4.833 million), followed by environmental monitoring services of RM3.544 million (FY2023: RM2.815 million), air monitoring services of RM3.335 million (FY2023: RM2.888 million) and domestic wastewater treatment contributing RM3.227 million (FY2023: RM4.947 million), representing 36%, 19%, 18% and 17% of total revenue from these segment respectively.

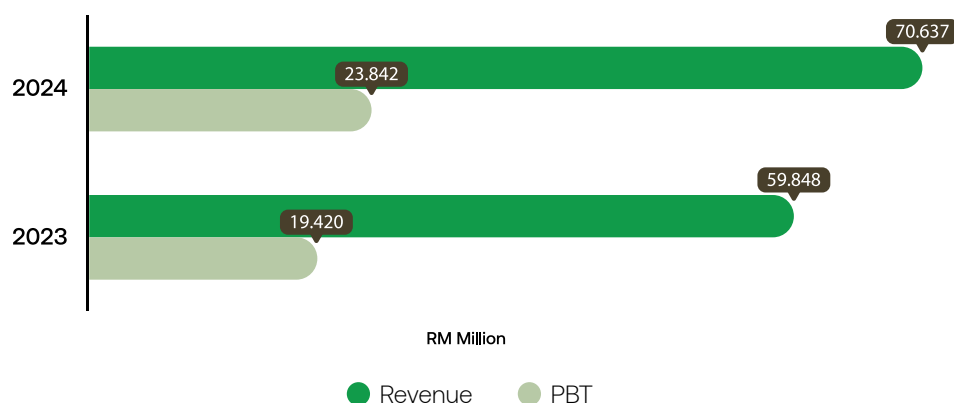
The marginal decrease in revenue registered in FY2024 was primarily due to delay in securing book orders, which subsequently delayed the execution and revenue recognition in the current year.

Loss Before Tax Contribution by Geographical Breakdown



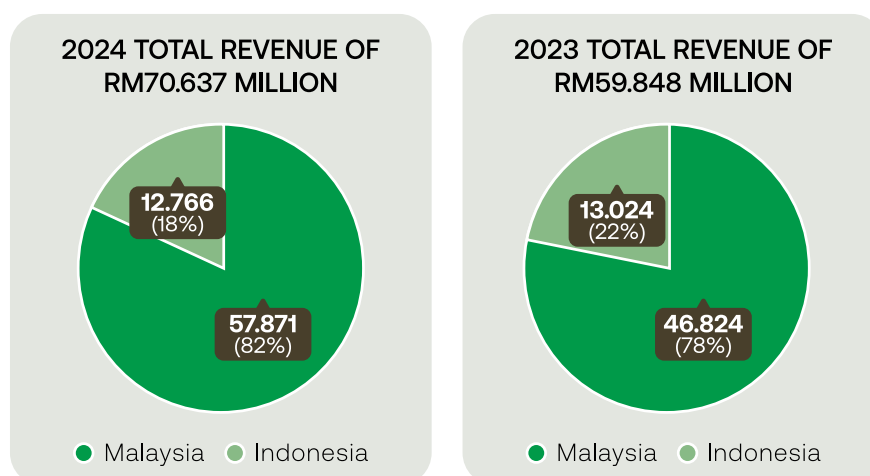
Malaysian operations significantly reduced its losses, reporting an improved LBT of RM0.062 million in FY2024, a 98% reduction from RM3.468 million in FY2023. In contrast, Saudi operations reported higher losses in FY2024 of RM10.699 million (FY2023: RM6.568 million), primarily due to the derecognition of a key project in the current year.

LABORATORY TESTING SERVICES



For FY2024, the laboratory testing services revenue has significantly increased by 18% to RM70.637 million from RM59.848 million in FY2023. As a result, the segment's Profit Before Tax (PBT) experienced a strong growth of 23%, reaching RM23.842 million compared to RM19.420 million in FY2023.

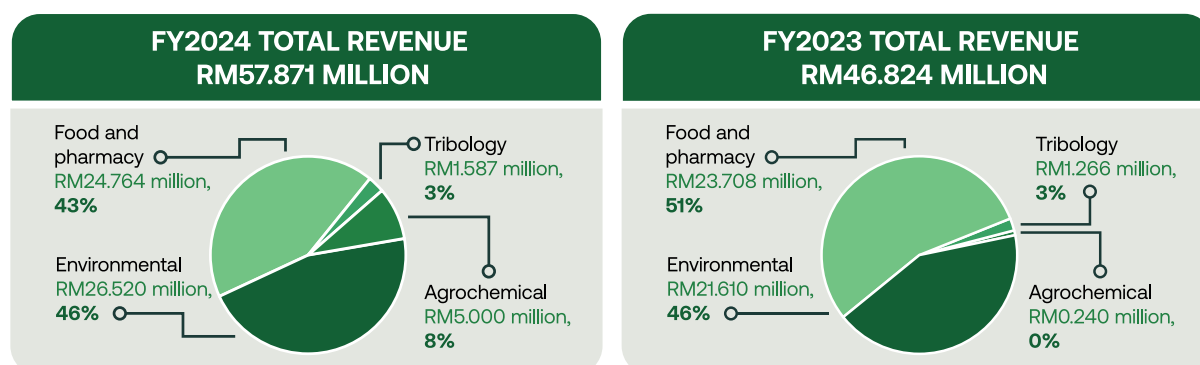
Revenue Contribution by Geographical Breakdown



Malaysian operations continued to register higher revenue contribution arising mainly from the environmental division coupled with revenue contribution from the newly acquired subsidiary, ALS PG.

On the other hand, the decline in revenue from Indonesian operations in FY2024 was primarily attributable to the strengthening of the Ringgit against Rupiah compared to FY2023 (FY2024: RM0.000288 vs FY2023: RM0.000300).

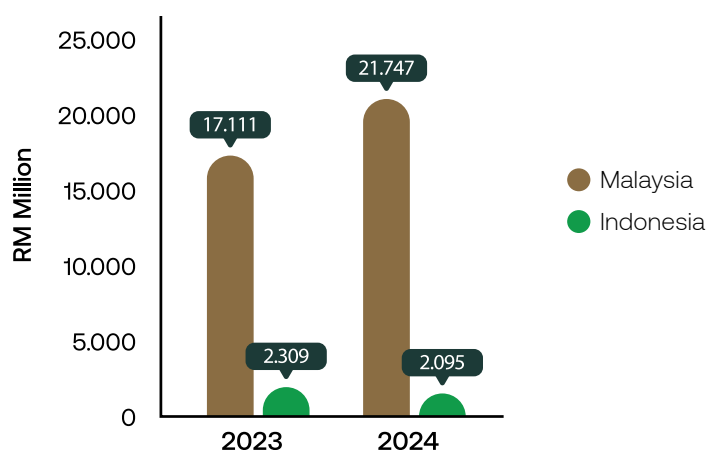
Revenue Contribution from Malaysian Operations by Sub-segment



Major revenue contributors for laboratory testing in Malaysia for FY2024 were environmental and food and pharmacy segments, which generated RM26.520 million (FY2023: RM21.610 million) and RM24.764 million (FY2023: RM23.708 million), accounting for 46% and 43% of the total segment revenue respectively. Additionally, the newly acquired agrochemical segment contributed RM5.000 million revenue, representing an 8% contribution, compared to RM0.240 million in FY2023.

The increase in revenue from environmental division by 23% and food and pharmacy division by 4% were mainly contributed by higher test samples received and new clients secured in the current year compared to FY2023.

Profit Before Tax Contribution by Geographical Breakdown



For FY2024, PBT from Malaysian operations saw a significant increase of 27% to RM21.747 million (FY2023: RM17.111 million), driven by higher gross profit recorded in the current year. Conversely, PBT from Indonesia operations declined by 9% to RM2.095 million (FY2023: RM2.309 million) due to a lower gross margin recorded during the year.

BUSINESS OUTLOOK

The global outlook for 2025 presents a complex picture, marked by a combination of stabilizing trends and persistent uncertainties. Global GDP growth is expected to remain relatively stable at 3.3%, though it will likely stay below pre-pandemic levels. Growth prospects vary across regions: the United States is projected to grow at a moderate pace, with the IMF assessing potential tariff impacts under President Trump but not anticipating a recession. Meanwhile, Europe faces sluggish growth and persistently high energy costs. Emerging markets continue to show resilience, with China on track for a modest recovery despite concerns over U.S. trade policies.

Global inflation is forecast to moderate at 4.2%, but "sticky" inflation in certain sectors, particularly services, could pose ongoing challenges. Central banks face the delicate task of balancing inflation control with supporting economic growth, with some regions expected to gradually ease monetary policy.

Several key risks and uncertainties continue to shape the global outlook. Geopolitical tensions, ongoing conflicts, and rising political instability present significant threats to economic stability. Potential shifts in trade policies, including potential tariffs, could disrupt global trade dynamics. Climate change remains a major concern, with extreme weather events and other climate-related risks threatening economic resilience. Additionally, vulnerabilities in financial markets could lead to instability, further complicating the global economic landscape in 2025.

Source: World Economy Outlook, International Monetary Fund (IMF), January 2025

Source: Reuters, IMF assessing Trump's tariff plans, does not see US recession, March 2025

The Malaysian economic outlook for 2025 presents a generally positive picture, with growth expected to continue despite the presence of global uncertainties. GDP growth is forecast to range between 4.5% and 5.0%, driven by robust domestic demand, increased investment activities, and moderate export expansion. Factors such as civil servant salary increases, minimum wage adjustments, stable labor market conditions, and a thriving tourism sector are expected to bolster domestic consumption. Ongoing multi-year infrastructure projects and the realization of approved investments will further support economic growth. Key export sectors, including electrical and electronics, semiconductors, and commodities, along with contributions from tourism, are anticipated to enhance Malaysia's economic performance.

Source: Bank Negara Malaysia, BNM Quarterly Buletin Q4 2024 , February 2025

Source : Bank Negara Malaysia, BNM Economic and Monetary Review 2024, March 2025

Source : Ministry of Finance Malaysia, Economic Outlook 2025, October 2024

In 2025, headline inflation is projected to average between 2% and 3.5%, while core inflation is expected to range between 1.5% and 2.5%. Although inflation is anticipated to trend higher, it is expected to remain manageable, supported by easing global costs and the absence of excessive demand pressures. However, upward pressures may emerge due to factors such as petrol fuel subsidy rationalization, wage increases, and fluctuations in global commodity prices.

Bank Negara Malaysia (BNM) is expected to maintain a careful monetary policy stance, balancing the need for growth with inflation control. The Overnight Policy Rate (OPR) is likely to remain stable at 3.00% unless unforeseen inflationary pressures demand adjustments. This careful approach is expected to help maintain economic stability throughout 2025.

Source : Bank Negara Malaysia, BNM Economic and Monetary Review 2024, March 2025

The Malaysian Ringgit (MYR) is expected to strengthen against the US dollar in 2025, supported by stable economic growth, a healthy current account surplus, and narrowing interest rate differentials. Analysts forecast the MYR to range between RM3.90 and RM4.40 per USD by year-end. Key drivers include a resilient domestic economy, a growing tourism sector, stable commodity prices, and improved government policies.

Source : The Edge Malaysia, Ringgit may continue to 'slightly' outperform regional currencies — StanChart (Jan 2025)

Source: The Star, Ringgit poised for gradual rise, expected to average RM4.10 in 2025 (Jan 2025)

Source : Bernama, BMI ups its end-2025 ringgit forecast to RM4.40 per USD (Jan 2025)

Despite the positive outlook, key considerations will need to be monitored. Global economic uncertainties, such as trade policies and geopolitical tensions, pose potential risks to Malaysia's growth trajectory. The pace of global economic recovery, particularly in major trading partners, will significantly impact Malaysia's export performance. Furthermore, the implementation and effects of domestic government reforms will play a critical role in shaping the economy.

Consequently, the company will be continuously observing our strategies and implementing necessary measures to grow the business amidst the unpredictable economic landscape. The primary objective is to achieve continuous prosperity through the company's core business segments, namely EMCS and LTS, operating in Malaysia, Indonesia and the Kingdom of Saudi Arabia.

EMCS

The EMCS capitalises on the increasing industry interest in complying with DOE regulations, particularly those outlined in the Environmental Quality Act 1974, Environmental Quality (Sewage) Regulations 2009, Environmental Quality (Industrial Effluent) Regulations 2009, and Environmental Quality (Prescribed Premises) (Crude Palm Oil) (Amendment) Regulations 1982, among others.

PICORP, through its subsidiary ASMA, focuses on key sectors such as water and wastewater, leveraging its MYHERO series to ensure effluent compliance, support industrial water recycling, and meet drinking water standards. Successful projects in Kelantan have strengthened ASMA's credibility in the water industry, creating opportunities to collaborate with other water operators. In the domestic wastewater sector, ASMA is strategically positioning itself to leverage Malaysia's expanding construction (4.8% CAGR) and real estate (6.64% CAGR) industries, driving increased demand for domestic wastewater treatment solutions. In Indonesia, ASMA is exploring business opportunities by leveraging ESG-driven demand and stricter regulations, particularly in industrial zones that attract sustainability-conscious investors. To enhance its financial position, ASMA is focusing on cost reduction, cash flow improvement, debt restructuring, process optimization, and brand repositioning, while also pursuing expansion into the global Halal and lubricant trading markets.

In Saudi Arabia, Saudi ASMA, a subsidiary of PICORP, is expanding its Integrated Pest Management (IPM) business segment, offering pest control, pest surveillance, and pest laboratory services for both public and private sectors. Leveraging its proven expertise and strong track record as an IPM service provider, Saudi ASMA is also exploring opportunities in the environmental sector, aligning with Vision 2030's goals to enhance environmental protection and improve citizens' quality of life. At the same time, the company is taking steps to control costs, improve margins, and manage cash flow. Efforts include enhancing project management to optimize delivery and costs while ensuring quality and stakeholder satisfaction.

Recognising the global trend towards sustainability, encompassing initiatives to address environmental, social, and economic challenges, we anticipate sustained demand for our essential services. Leveraging our established network, experience, expertise, and commitment to green technologies, we are confident in our ability to achieve steady growth in these segments both locally and globally.

LTS

The LTS, particularly in food, pharmaceutical and environmental segments, continue to be a significant revenue generator for the group, driven by increased demand. Developments in the regulatory landscape, such as the Food Safety Act 1983, Halal certification under JAKIM and Foreign Certification Bodies, DOE's Quality Act 1974, and DOE's Guided Self-Regulation 2017, and many others remain key drivers in the laboratory testing services business, ensuring compliance with stringent safety and quality standards.

In Malaysia, ALS Malaysia remains focused on existing businesses by swiftly adopting life science advancements, optimizing costs, and future-proofing its services to stay ahead of technological trends while ensuring rapid adaptation and maintaining high standards. To enhance market penetration, ALS Malaysia is strengthening customer relationships through CRM, quality services, competitive pricing, and improved turnaround times. Additionally, ALS Malaysia continues to expand the newly acquired agrochemical segment in Malaysia and Indonesia by providing a one-stop solution for lab analysis and field studies, delivering accurate and reliable results to the agrochemical industry. Furthermore, ALS Malaysia aims to enhance market capabilities in emerging contaminant analysis within the food and environmental sectors.

In Indonesia, ALS Indonesia is focused on expanding its market share in the environmental segment by capitalizing on stringent regulations in the sectors, particularly within the oil & gas, palm oil, and pulp and paper industries in Sumatra. Additionally, ALS Indonesia is exploring opportunities in industrial hygiene monitoring, targeting new industrial estates, especially factories in the eastern region. The government's mandate for Halal certification across various consumer goods also presents a significant opportunity for ALS Indonesia to expand its Halal and Toyyiban testing services.

Overall, we believe these segments will continue to strive and grow, strengthening its position as a technical market leader in both Malaysia and Indonesia.

BUSINESS RISKS

As the Group operates within complex and constantly evolving business environments, it has established a comprehensive risk management framework to effectively deal with the inherent risks. This framework aids in the identification, assessment, and management of risks specific to the industry in which the Group operates.

Consistently applying this risk management framework allows the Group to take proactive measures in managing key business risks, ensuring that they are kept at an acceptable level of exposure. Below are the Key Business Risks and its mitigation plans:

Key Business Risks	Description	Key Risk Mitigation Plans
Business Continuity Risks	The ability of the Group to continue operating as usual, secure sustainable sources of business, and expand through business diversification.	<ul style="list-style-type: none"> i. Diversification strategies are in place to alleviate over-concentration on any one single brand or products. ii. Close monitoring of competitors' strategies to sharpen understanding of industry and market trends. Then work with strategic clients & partners in pursuing business with those clients & partners. iii. Continue to work with key principals to enhance price competitiveness. Then, promote to existing key customers the integrated solution and create new installed base for the business long run. iv. Step up digitalisation to leverage on innovative solutions that streamline operations and optimise costs. v. Maximising digital marketing strategies through virtual platforms such as social medias, website, and CRM system to enable seamless, quicker and wider reach-out to potential clients. vi. To ensure the pursued projects as approved in the Annual Business Plan are secured. vii. Close monitoring of cash flow and securing sufficient funding or financing for project execution to ensure feasibility and successful completion.
Liquidity Risks	The ability to build up liquidity reserves	<ul style="list-style-type: none"> i. To prepare and update rolling cashflow forecast on a regular basis. ii. To come up with action plans to intensify collection efforts and to monetise balance sheet items. iii. To embark on cost containment measures for both capital and operating expenditures by allowing only spending on essential and critical expenditure.

Key Business Risks	Description	Key Risk Mitigation Plans
Liquidity Risks	The ability to build up liquidity reserves	iv. To ensure project milestones are adhered and to bill the completed job as per the payment terms in a timely manner.
Human Capital Management	Human capital risk pertains to the potential challenges that could influence the employees of a company and hinder their effectiveness in performing their duties.	<ul style="list-style-type: none"> i. Implementation of the Employee Development Program (EDP) to provide employees with essential knowledge, skills, and behaviours, fostering personal growth, enhancing team performance, and contributing to overall organizational success. ii. Accelerate the Competency Management initiative to other functions within the company/group in order to ensure the employees are able to perform at the expected performance standards and to reach its optimum. Hence, it is crucial for the employees to have full capabilities and competencies to perform the assigned jobs. iii. Succession planning has been established, where key positions and internal staff for each of these positions have been identified.

DIVIDEND

PICORP has a dividend policy to pay a total net dividend pay-out of not less than 40% of its net PAT and non-controlling interest.

The Board of Directors does not recommend the payment of dividend for financial year ended 31 December 2024. However, the Board remains confident in recommending dividend payment in the coming year.

The Group maintains its steadfastness amid challenging local and global market environments by focusing on executing the Group 3-year turnaround plan – Road to Profitability and building on a stronger platform. Nonetheless, the Management wishes to emphasise that the preparation of the Management Discussion & Analysis Statement is based on information and outlook prevailing at the time of writing and therefore should be read with due care in judgement and interpretation.



04

Sustainability Statement

SUSTAINABILITY STATEMENT



SUSTAINABILITY AT PICORP

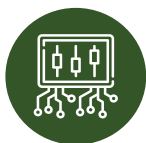
Progressive Impact Corporation Berhad (“PICORP”) or (“the Group”) places substantial importance on operating sustainably, responsibly, and ethically. Our commitment to sustainability is woven into every aspect of our operations, aligning with the Group’s core values and principles. At PICORP, sustainable value creation is not just a goal; it is integrated into our governance functions, business strategy, and daily operations.

Since our inception in 1993, we have actively embraced sustainability practices, recognising their relevance and benefits. Our overarching objective is to ensure both short-term and long-term success whilst contributing positively to society, the environment, and the economy. We understand the importance of managing our impacts, and this commitment underscores our dedication to responsible business practices.

To realise our sustainability value creation and its goals, PICORP approaches and views sustainability as a shared commitment that extends through every layer of our organisation. From boardrooms to operational teams, each plays a pivotal role in championing and embodying sustainable practices. We strive to support and emulate sustainable practices throughout our business facets, fostering a culture that goes beyond mere compliance and aiming for a positive impact on the world.

Our sustainability statement considers the economic, environmental, social and governance aspects in creating values to further demonstrate our overall sustainability progress. At PICORP, our sustainability efforts are based on how we can best contribute to a better Malaysia, as demonstrated in our three (3) value creations:

Sustainability Value Creations



SUSTAINABLE
SYSTEM &
INFRASTRUCTURE



SUSTAINABLE
PROCESSES



SUSTAINABLE
PRODUCTS &
SERVICES

SUSTAINABILITY DISCLOSURES

Coverage

This statement covers the business operations of PICORP and all its subsidiaries. Unless otherwise stated, the information presented in this report covers our businesses in Malaysia, Indonesia and Saudi Arabia where there is readily available data in place. We also include sustainability initiatives from other business units and subsidiary companies in greater detail to reflect the Economic, Environmental, Social and Governance performance where available and relevant, historical data of the preceding year has been included for comparison.

References and Guidelines

This Sustainability Statement (“this statement”) has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) through Bursa Securities’ Sustainability Reporting Guide 3rd Edition guided by the Malaysian Code on Corporate Governance (“MCCG”) to address material issues or those that reflect economic, environmental, social and governance impacts and issues that significantly influence our stakeholders.

Reporting Period

This report covers PICORP Group’s performance from 1 January 2024 to 31 December 2024 (“FY2024”), unless otherwise stated.

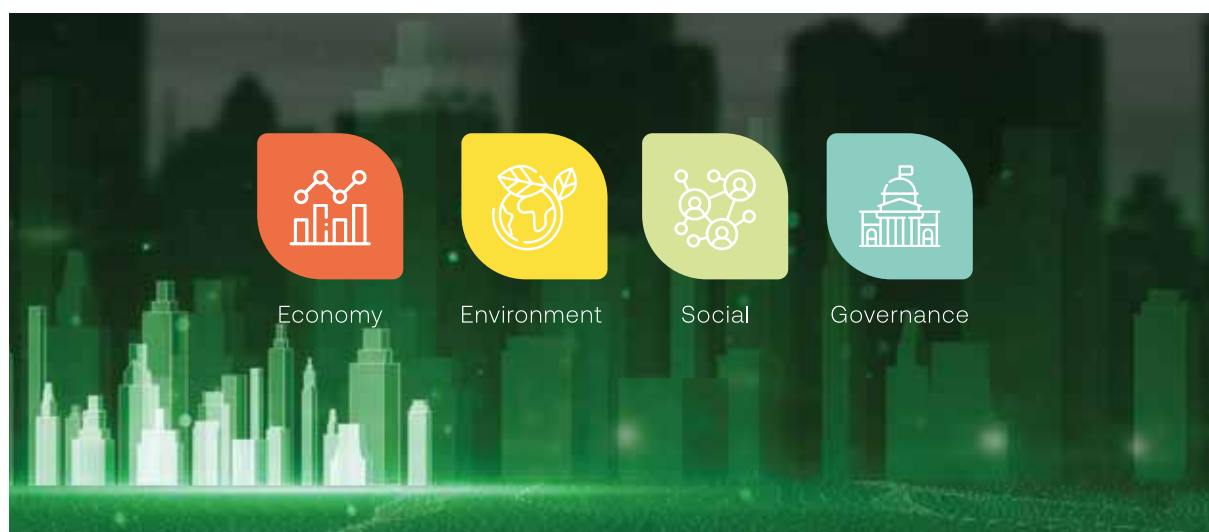
Statement of Assurance

This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk and Management Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group’s sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainable Impact

The PICORP Sustainability Statement 2024 outlines various steps we have taken to create sustainable values: aligning sustainability considerations to our business strategies; focusing on the material matters affecting stakeholders and business value and creating a positive impact in a challenging business environment.

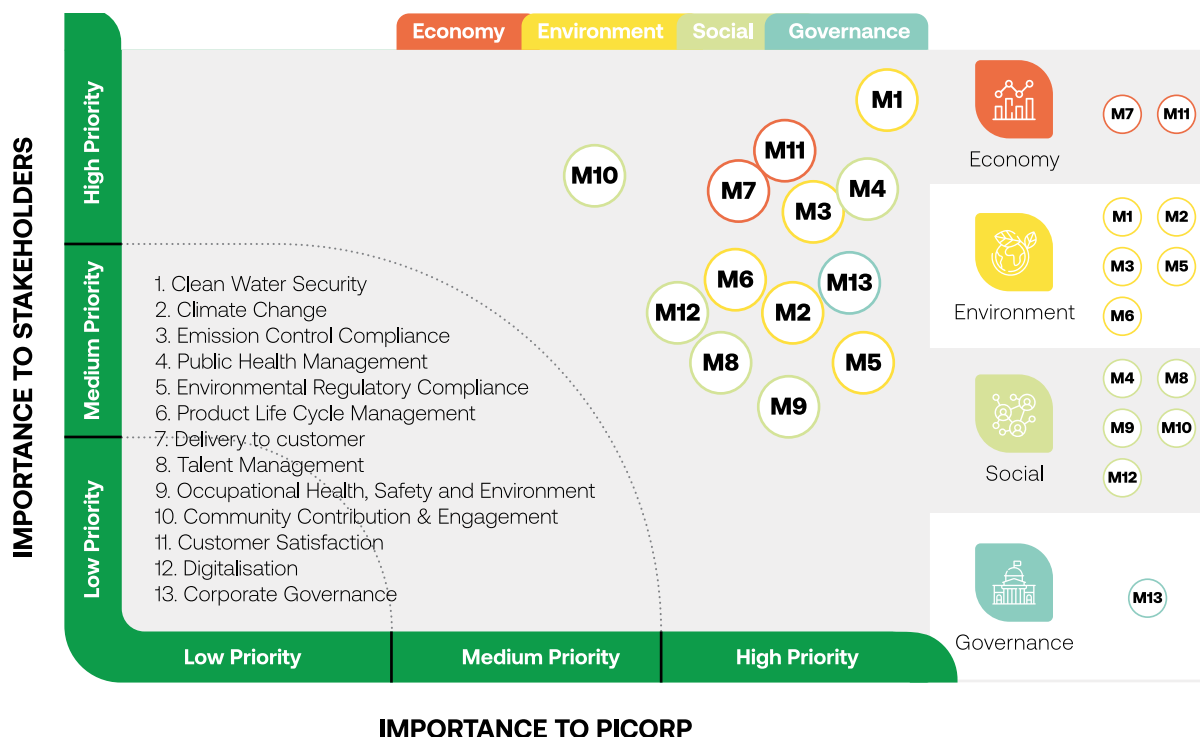
Our sustainability statement considers the Economic, Environmental and Social (“EES”) impacts on value creation whilst incorporating the governance element of Environment, Social and Governance (“ESG”) as it is a crucial tool in sustainability to address our financial and business resilience. Each organisation is deeply intertwined with EES and ESG concerns hence, it makes sense, therefore, that a strong Economic, Environmental, Social and Governance (“EESG”) proposition can create value. Throughout the report, the impacts of our sustainability initiatives and value creations are derived from EESG and indicated with the following icons:



MATERIAL SUSTAINABILITY MATTERS

To identify issues that are most material to the business, a materiality assessment was performed guided by Bursa Securities' Sustainability Reporting Guide. The findings from the review of past materiality assessments were further refined with an analysis of internal policies, documents, and comments from various departments. PICORP's commitment to sustainability focuses on significant areas based on the importance to PICORP and stakeholders. Key sustainable issues are identified based on the degree of impact each sustainability matter has on PICORP to produce a materiality matrix. The matrix identifies sustainability matters according to their importance to both PICORP and its stakeholders.

The outcome of the materiality assessment is illustrated below:



As shown in the materiality matrix, we have identified thirteen (13) material matters that are of high priority. These material matters are integrated into our business strategies and action plans. More details on how we addressed our material matters are discussed across three (3) value creations: Sustainable System & Infrastructure, Sustainable Processes and Sustainable Products & Services based on the EESG pillars as clustered above.

SUSTAINABILITY FRAMEWORK

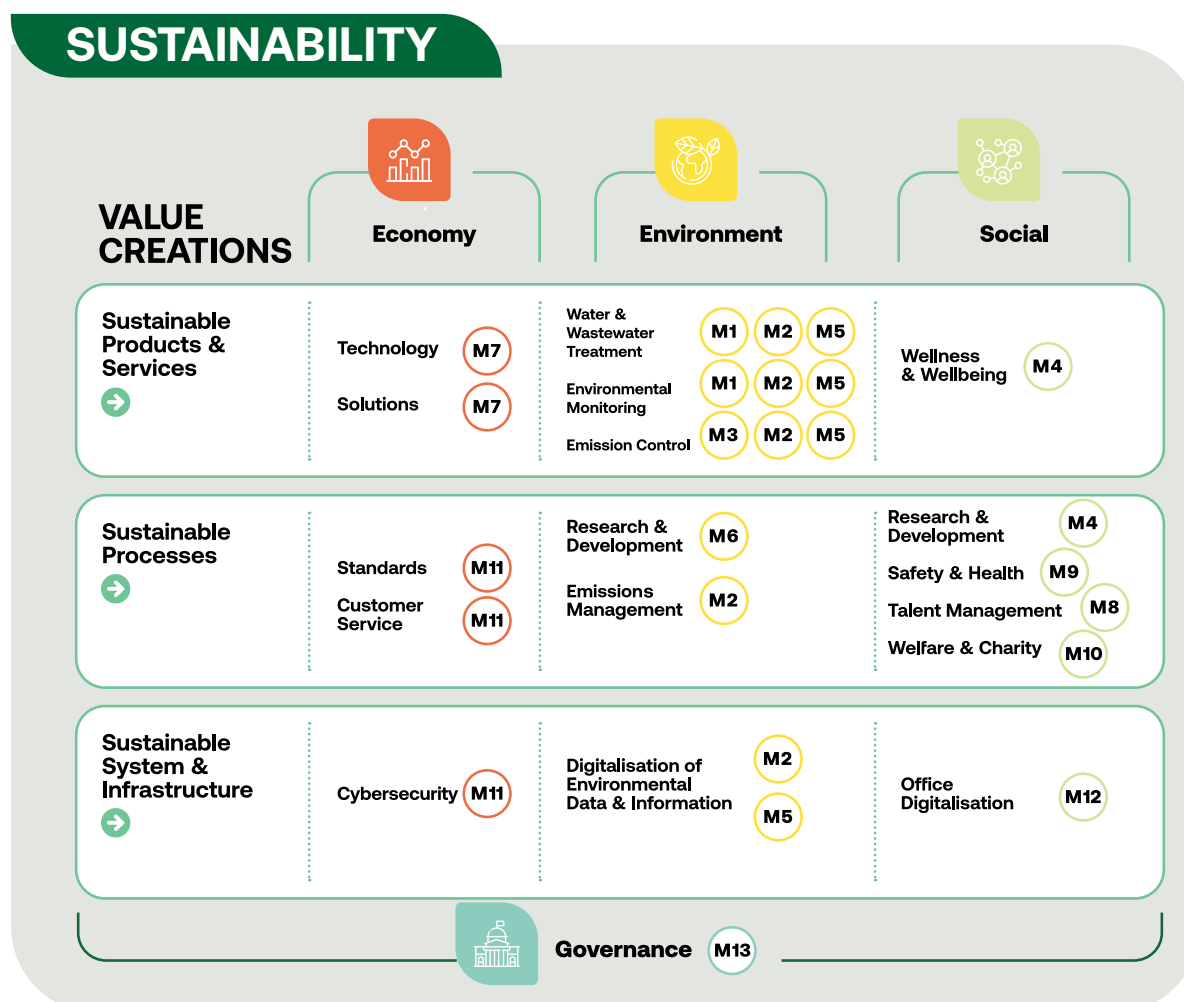
Statement of purpose

At PICORP, we strive to establish sustainable systems and infrastructure, execute sustainable processes and offer sustainable products and services, by integrating economic, environmental, social and governance sustainability concerns into all we do, infusing every thought and guiding every action, so we shall continue to keep the best interests at heart, for now, and the future. This vision shapes PICORP's Sustainability Framework which is built on our EESG pillars and the value creations.

PICORP's Sustainability Framework

Sustainability covers all three timeframes: rectifying past mistakes; reducing or eliminating current problems; building legacies for future generations. The undeniable need for sustainable development has generated the establishment of an array of sustainability frameworks that are designed to be the guidance for all organisations to move the world towards a more sustainable future.

In 2024, we ascertained PICORP's Sustainability Framework to effectively plan and execute our sustainability strategies and meet the objectives. This is aligned with PICORP's business priorities to address EESG's impact that will catalyse our sustainability journey. Likewise, PICORP's sustainability considerations and efforts are centred around four (4) key sustainability pillars of EESG which link to three (3) value creations as demonstrated further below. This sustainability framework is embedded into the Group's Business Plan, strategies and key performance indicators. In short, the PICORP's sustainability framework is crafted by adopting the EESG pillars and incorporating the 3 value creations to address the pillars as illustrated below.



PICORP's Sustainability Framework

SUSTAINABILITY GOVERNANCE

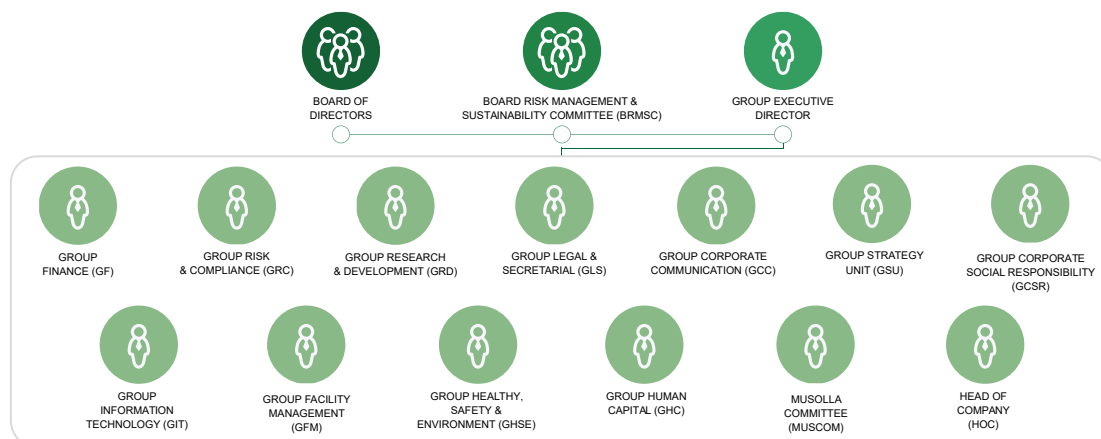
Our commitment to sustainability starts at the peak of our organisational hierarchy with PICORP's Board of Directors ("the Board"). The Board is responsible for the overall oversight of the Group's material sustainability matters and strategic direction. Spearheading these efforts is the Group Executive Director ("GED"), who strategically manages the Group's material sustainability matters.

Under the purview of the GED is the Sustainability Working Group ("SWG"), comprised of Group Risk and Compliance ("GRC"), Group Finance ("GF"), Group Research & Development ("GRD"), Group Legal & Secretarial ("GLS"), Group Facility Management ("GFM"), Group Information & Technology ("GIT"), Group Strategy Unit ("GSU"), Group Human Capital ("GHC"), Group Corporate Communication & Digital Marketing ("GCCDM"), Health, Safety, and Environment ("HSE") Committee, Musolla Committee ("MUSCOM"), Group Corporate Social Responsibility ("GCSR") and Head of Company ("HOC") who are responsible for executing and improving PICORP's overall sustainability initiatives and reporting the outcomes to the Board via the Board Risk Management & Sustainability Committee ("BRMSC").




PICORP's SUSTAINABILITY GOVERNANCE STRUCTURE




Board of Directors	Provides leadership and vision in shaping sustainability strategies, championing good governance and ethical practices, and ensures the effective execution of these strategies, to enhance the shareholders' value and ensure the long-term sustainable development and growth of the Group.
Board Risk Management & Sustainability Committee	Monitors the implementation of EESG, including corporate governance practices consistent with the sustainability risks and corporate governance policies and practices approved by the Board, guided by applicable laws and regulations.
Group Executive Director	<ol style="list-style-type: none"> 1. Accountable for the Group's oversight of sustainability matters, including sustainability strategy and targets, materiality assessment, and climate-related risks and opportunities. 2. Ensures sustainability matters are considered within the Group and its respective business segments, and progressively embeds strong sustainability culture throughout the entire organisation.
Sustainability Working Group	<ol style="list-style-type: none"> 1. Aligns on-the-ground practices with the organisation-wide sustainability agenda and strategy. 2. Coordinates the management of material matters and conducts the materiality assessment process 3. Provides quarterly updates on the progress and performance of sustainability initiatives to GED.





STAKEHOLDER ENGAGEMENT STATEMENT

We define our stakeholders as those who are impacted by and/or who impact our business and performance. With consistent and constructive stakeholder engagements, we are able to address their expectations and concerns which are keys to ensuring continuity in PICORP's sustainability journey. We also believe in maintaining transparent communication with our stakeholders to ensure that they are aware of our performance and support our growth as we progress.

Stakeholder	Mode of Engagement	Frequency of Engagement	Scope of Interest
Customers 	Website	Continuous	<ul style="list-style-type: none"> • Customer satisfaction • Quality of products and services • Credibility and trust of PICORP brand • Project delivery • Data privacy & security
	Social media platforms	Continuous	
	Customer Satisfaction Survey	Continuous	
	Appointment of a key account manager for each customer	As needed	
	Roadshow and Exhibition	As needed	
	Technical Training/ Knowledge Sharing Session	As needed	
	Regular meetings/ engagements with customers to obtain feedback	As needed	
Employees 	Top Management engagement	As needed	
	SharePoint site	Weekly/Monthly/ As needed	
	Town Hall meeting	Annually/ As needed	
	Family Day/ Annual Dinner	As needed	
	PICORP Talent Management Programme	Annually	
	Training programmes	Continuous	
	360 Employee Assessment	Annually	

Stakeholder	Mode of Engagement	Frequency of Engagement	Scope of Interest
Employees 	Employee Satisfaction Survey Code of Ethics and Business Practice Anti-Bribery and Corruption Policy Whistleblower Policy Musolla Committee Programmes Wikitoria (Senior Management Engagement Session) Sexual Harassment Policy HSE Programmes	Annually Annually Annually Annually Continuous/ As needed As Needed Annually Continuous	<ul style="list-style-type: none"> • Employee benefits and rights • Culture, diversity and inclusion • Employee grievances • Health, safety and wellbeing • Talent acquisition & retention • Career development • Work-life balance • Equal workplace opportunity
Suppliers and subcontractors 	Business Negotiation Suppliers & subcontractors' assessment Vendor database through prequalification	As needed Continuous As needed	<ul style="list-style-type: none"> • Occupational Health, Safety and Environment • Sustainable Value Chain Management • Anti-bribery and corruption
Local community 	Charity giving and donations Participation in and sponsorship of community service events / NGO Internship Opportunities Public events e.g. Hari Raya Open House Training on environmental compliance and best practices Health, Safety and Environment campaigns and programmes	Annually / As needed As needed As needed Annually As needed As needed	<ul style="list-style-type: none"> • Community Engagement • Community Contribution • Environmental Awareness • Management of environmental issues • Management of complaints and feedback • Environmental Regulatory Compliance

Stakeholder	Mode of Engagement	Frequency of Engagement	Scope of Interest
Shareholders/ Investors 	Announcements to Bursa Securities	As needed	<ul style="list-style-type: none"> • Corporate governance • Ethics & compliance • Economic performance • Business strategy • Financial performance
	Annual General Meeting	Annually	
	Investor Relations Programme	As needed	
	Website (Investor Relations page)	Continuous/ As needed	
	Annual Report	Annually	
Regulators / Government Authorities 	Corporate governance compliance	As needed	<ul style="list-style-type: none"> • Environmental Regulatory Compliance • Ethics and corporate governance • Anti-corruption and bribery • Training and education
	Regular meetings, workshops and seminars with regulatory agencies to stay abreast of any regulatory requirements	As needed	
	Environmental compliance at project sites	Continuous/ As needed	



1.0 Embedding integrity & ethics in business practices

At PICORP, we are committed to achieving the highest standard of corporate governance and transparency. We embrace the culture of doing the right thing where honesty, fairness, and responsibility are valued and expected from all employees at all levels. Integrity and ethics are not only a matter of moral imperative but also one that leads to a smart business. Supported by relevant framework and management policies, we will be persistent with how we conduct ourselves; to ensure we continue to act in an ethical, transparent, and accountable manner.

GOVERNANCE



M13

Corporate Governance

Good governance fosters a culture of integrity that is crucial to a sustainable business environment. PICORP's sustainability governance allows us to integrate EESG considerations into our business priorities. Since its founding, PICORP's business practices have been governed by the Core Value's Obedient to Allah which refers to enjoining what is right and forbidding what is wrong and full compliance with all applicable laws. PICORP employees worldwide have upheld and lived this commitment in their everyday responsibilities. This is the pillar in conducting our business activities with integrity and takes precedence over any other matters.

Corporate Governance

PICORP adopts the Main Market Listing Requirements of Bursa Securities and best practices illustrated in the latest MCCG.

PICORP Core Values

PICORP Core Values are the set of principles and behaviours that we uphold throughout our operations and business worldwide. These values govern and streamline the work culture, people and processes within the Group towards achieving the Group's goals and objectives.

PICORP Control Measures

PICORP's Code of Conduct

Demonstrates our commitment to business dealings in a high ethical business standard that is efficient, effective and fair and provides a set of rules, principles, values, employee expectations, behaviours, and relationships that is considered important and believed necessary.

No Gift Policy

Embraces a ZERO TOLERANCE POLICY against all forms of bribery and corruption and elaborates upon those principles, providing guidance to employees concerning how to deal with situations relating to the receiving and/or providing gifts that may arise in the course of business.

Sexual Harassment Policy

Aims to prevent sexual harassment of employees in the workplace and provide an effective mechanism to eliminate such harassment; and educate all employees to recognise that sexual harassment in the workplace is a demeaning practice that constitutes a profound affront to the dignity of persons.

Anti-Bribery and Corruption Policy

Sets out PICORP's principles in dealing with improper solicitation, bribery, and other corrupt activities and related issues that may arise in PICORP's course of business.

Whistleblowing Policy

Provides an avenue for employees to disclose their concerns involving any improper conduct within the company.

Risk Management Framework

Adopts a risk management framework that is integrated into and where appropriate embedded into the day-to-day business activities and management decision framework of the Group. Our risk management practices are generally aligned with the principles of ISO 31000:2010 and COSO 2004 Enterprise Risk Management Integrated Framework (2017 update).

YEAR	2022	2023	2024
Percentage of Employees Who Have Received Training on Anti-Corruption by Employee Category.			
General Manager & Above	100%	100%	100%
Manager	100%	100%	100%
Executive & Below	100%	100%	100%
YEAR	2022	2023	2024
Percentage of Operations Assessed for Corruption-Related Risks	-	-	100%
YEAR	2022	2023	2024
Confirmed Incidents of Corruption and Action Taken	0	0	0

Notes:

1. Anti Bribery & Corruption (ABC) Training Module is part of Onboarding Module. It is compulsory for new staff to attend the training. It is also compulsory for all staff and directors to sign ABC pledge on an annual basis

2. Percentage of operations assessed for corruption related risk is referring to percentage of accomplishment in implementing Internal Audit according to 2024 Internal Audit Plan. Internal auditors employ a risk-based approach to assess operations, concentrating on high-risk areas to preemptively detect and manage risks including corruption-related risks. This strategic focus ensures that internal audits function as a proactive mechanism, fostering accountability, transparency, and ethical conduct throughout diverse departments within the organisation.



2.0 Establishing sustainable systems & infrastructure

Every organisation requires a strong foundation that can lead to promoting good business conduct, healthy corporate culture, and effective and efficient business processes. A solid system and good infrastructure are necessary parts of business operations and management. An effective and sustainable system and infrastructure continue to serve the companies, employees, and clients through all the changes we experience. In 2024, PICORP invested approximately RM1,283,288 to upgrade IT hardware and software that enhance our data, network, and device security protection and also to digitise non-digital systems by creating new or modifying existing processes, systems, and operations.

Year	2022	2023	2024
IT Investment	RM 729,094	RM 918,763	RM 1,263,228

CYBERSECURITY



M1

Customer Satisfaction

Cybersecurity plays a critical role in protecting the confidentiality, integrity, and availability of computer systems, networks, and valuable data. Today, more than ever before, we feel the urgency to have a strong, fast, and reliable cybersecurity to protect our key enablers: digital features and digital transformation.

Our Approach

Modern business operations heavily depend on information security to safeguard sensitive data from cyber threats, data breaches, and other security risks. As part of our continuous commitment to fortifying our IT systems and data privacy and security, the Group adopted and implemented the PICORP Cybersecurity Framework 2024, an enhanced framework with the objectives to:

- Understand and Assess:** Describe PICORP's current or target cybersecurity framework, identify gaps, and evaluate progress towards addressing those gaps.
- Prioritise:** Identify, organise, and prioritise actions to manage cybersecurity risks in alignment with PICORP's mission, legal and regulatory requirements, as well as risk management and governance expectations.
- Communicate:** Provide a common language for communicating internally and externally about cybersecurity risks, capabilities, needs, and expectations.

Additionally, the PICORP Cybersecurity Framework 2024 addresses various aspects of cybersecurity, including best practices, outcomes, technical, operational, and managerial security controls. These align with the five risk management functions: **Identify, Protect, Detect, Respond, and Recover.**

This policy serves as a crucial framework for the proper handling of sensitive information and provides clear direction, value, and guidance to employees regarding security practices. Furthermore, our commitment to safeguarding our intangible assets extends beyond policy establishment, encompassing a proactive approach of regular investment and modernisation of our IT systems, along with consistent reinforcement and upgrade of our IT infrastructure.

In 2023, we prioritised network assessments and device protection enhancements by integrating Endpoint Detection and Response (EDR), performing server upgrades, and increasing IT awareness across the Group. These initiatives aimed to strengthen the Group’s IT infrastructure and safeguard critical data. Building on these efforts, in 2024, we expanded our focus to implement comprehensive cybersecurity measures under three main pillars:

PICORP’s Cybersecurity Pillar-based Initiatives	
Cybersecurity Pillars	Description
Cyber Secure	<p>IT Asset Management: To manage the entire lifecycle of IT assets, including hardware, software, licenses, and digital resources, by implementing a structured and standardised approach to ensure efficiency, compliance, and security.</p> <p>IT Access Management: To control and monitor access to applications, systems, and physical assets using access control policies, authentication mechanisms, and role-based access control to protect sensitive information, maintain system integrity, and reduce unauthorised access risks.</p> <p>IT Change Management: To define and implement a structured change management strategy by planning, testing, and executing changes to ensure successful transformations whilst minimising disruptions.</p> <p>Cybersecurity Assessment: To evaluate the current security posture through vulnerability assessments, penetration testing, and compliance audits to identify weaknesses, mitigate risks, and ensure alignment with regulatory requirements.</p> <p>Endpoint Protection and Patch Management: To prevent data tampering, destruction, and unauthorised access by enabling automatic patching for Windows and third-party software whilst supporting manual updates to close vulnerabilities and maintain data integrity.</p> <p>Network Security Protection: To safeguard the integrity, confidentiality, and availability of data across networks by implementing firewalls, Intrusion Detection and Prevention Systems (IDPS), Virtual Private Networks (VPNs), network segmentation, and continuous monitoring.</p> <p>Email Security Protection: To protect organisational email systems from phishing, malware, and email-based threats through attachment scanning, anti-phishing tools, multifactor authentication (MFA), and link validation to ensure secure communication.</p> <p>Training and Awareness: To develop cybersecurity awareness among staff by providing formal training on identifying and mitigating cyber threats to empower them to respond effectively and reduce risks.</p> <p>Group IT Policy: To establish a framework for the appropriate use, management, and security of IT resources by developing and enforcing comprehensive IT policies aligned with organisational objectives to ensure effective and secure operations.</p> <p>Backup: To consistently back up and securely store critical organisational data through automated processes and secure storage solutions to protect against data loss, breaches, or system failures and ensure business continuity.</p>

Cybersecurity Pillars	Description
Cyber Vigilant	<p>Identity Access Detection: To protect against unauthorised access and cyber threats by automatically enforcing account lockout policies after multiple failed login attempts, monitoring suspicious login activities, and enabling seamless, secure access through single sign-on (SSO) to enhance user experience and control over sessions.</p> <p>Endpoint Detection: To provide superior malware defence using multi-engine detection capabilities and a layered approach to enhance threat detection, reduce vulnerabilities, and support the cybersecurity team in investigating and mitigating advanced malware attacks.</p> <p>Network Security Detection: To establish, manage, and monitor firewall systems through a comprehensive policy to protect organisational information systems and networks from unauthorised access, data breaches, and other threats, ensuring the confidentiality, integrity, and availability of critical IT resources.</p> <p>Email Security Detection: To automatically scan all incoming and outgoing emails for threats such as malware, phishing attempts, and spam using advanced algorithms for real-time detection, blocking malicious content, and quarantining or blocking potential phishing attempts to ensure secure email communication.</p>
Cyber Resilient	<p>General Security Respond: To establish a standardised approach to handling IT-related incidents, service requests, and communications, ensuring minimal disruption to business operations and maintaining high levels of user satisfaction through efficient and effective user support.</p> <p>Endpoint Security Response (EDR): To leverage advanced EDR capabilities for minimising alert noise, responding to critical incidents, and providing real-time threat intelligence and automated responses, ensuring continuous protection across all endpoints and supporting the organisation's secure IT environment.</p> <p>Email Security Response: To implement automated email security response mechanisms for rapid detection, isolation, and mitigation of email threats, including scanning attachments, verifying links, and quarantining malicious content, ensuring secure communication and reducing the risk of email-based security incidents.</p> <p>Incident Management: To adopt a structured approach for identifying, managing, and resolving IT incidents efficiently, minimising their impact on business operations, restoring normal services quickly, and maintaining high levels of service availability and user satisfaction.</p> <p>Disaster Recovery (DR): To ensure the organisation can recover its IT infrastructure and critical business systems effectively during disasters by establishing and regularly testing a proactive DR plan, minimising downtime, and maintaining business continuity.</p>

As of 31st December 2024, there were zero substantiated complaints concerning breaches in customer privacy or data loss. PICORP Group IT also ensures that any IT General and IT Upgrade and Maintenance requests are responded within a certain timeline. These IT enhancement initiatives have strengthened the protection of all network devices, hence minimising network interruption and downtime.

YEAR	2022	2023	2024
Number of substantiated complaints - privacy breaches or data loss	0	0	0

YEAR	2022	2023	2024
IT Response Time (General)	94%	94%	92%
IT Response Time (Upgrade /Maintenance)	93%	92%	89%

DIGITALISATION AND DIGITISATION



M2

M5



M12

Digitalisation

In today's contemporary business landscape, PICORP understands that the adoption of digitalisation and digitisation has become imperative for the Group to thrive and remain competitive its stakeholders. Digitalisation involves the integration of digital technologies into various aspects of a business, transforming traditional processes and operations, whilst digitisation focuses on converting and recording data.

Our Approach

The Group continues to strengthen its value creation processes by digitalising and digitising its two core pillars which are environmental data and information, and office processes by taking proactive measures such as implementing information management system, utilising data collection and standardisation technologies, and embracing cloud computing.

DIGITALISATION OF ENVIRONMENTAL DATA & INFORMATION



M2

M5

Digitalisation

1. ASMA Integrated Environmental Information Management System ("AIEIMS") provides integrated and centralised environmental data, real-time basis, automatic data collection, quality assurance, alert notification and auto-synchronisation for the backup data centre.
2. The early warning systems in AIEIMS are key elements of climate change adaptation and disaster risk reduction to minimise the impacts and reduce the risk of the hazard by encouraging an appropriate and timely behavioural response. This is in tandem with Malaysia's effort to improve the existing communication system and create a faster and more effective early warning system for disasters for the benefit of the people. This includes adopting the concept of SMS blasting so that we can send early warnings quickly and accurately.
3. The digitalisation helps reinvent processes, improve quality and promote consistency. By going digital, ASMA enables our clients to have access to all the information they need anytime, anywhere from any device.

OFFICE DIGITALISATION



M12

Digitalisation

Office digitalisation has various advantages, including increased efficiency, increased productivity, lower operational costs, improved customer experience, higher agility, enhanced employee morale, improved communication, increased transparency, improved competitive advantage, and faster decision making.

In 2024, the Group also implemented new automation tools into selected business processes such as human capital ,and ASMA operation.

PICORP's DRIVING ACTION TO OFFICE DIGITALISATION & DIGITISATION

Initiatives	Description
Digitalisation of Office Processes	<p>Leveraging on Microsoft Office 365 to boost employees' productivity and efficiency by utilising its features such as cloud storage (One Drive), real-time collaboration tools (MS Team, SharePoint), latest applications (Outlook, Words, PowerPoint, Power BI), and advanced security feature (Microsoft Admin Centre). This allows our workforce to be mobile and flexible when working as they are able to work, collaborate, and access files from any device, anywhere at any time.</p> <p>Utilising idea management software, ALS Viima, to facilitate the collection, organisation, and evaluation of ideas, resulting in a structured and collaborative environment.</p>
Digitalisation of Customer Relationship Management	<p>Utilising CRM solutions to better manage customer relationships and interactions, ASMA leverages HubSpot to streamline its marketing and sales activities by centralising customer data, improving lead management, and automating tasks, whilst ALS employs Bigin by Zoho and Webtrieve to optimise sales processes, close more deals, and accelerate growth.</p>

Initiatives	Description
Digitalisation of Enterprise Risk Management	Leveraging the TRICORRADAR system as an ERM, the Group enhances its risk management processes through improved system functionality, a better user experience, increased process automation, enhanced reporting capabilities, and greater system stability.
Digitalisation of Human Capital Processes	Migrating from HR2000 Quickpay to HR2000 iPayroll, Group Human Capital successfully launched the new system in August 2024. The iPayroll system incorporates modules such as e-Payroll, e-Attendance, and e-Leave. This migration has significantly streamlined HR processes, improving efficiency in leave applications, payroll management, overtime tracking, attendance monitoring, and reporting.
Digitalisation of Finance and Supply Chain Management Processes	Utilising a flexible Enterprise Resource Planning (“ERP”) system, namely SAGE X3 , the Group is able to control the bottom line with accuracy and real-time global visibility whilst accommodating local operational requirements. The Group is also able to keep up with demand and ensure optimal efficiency through real-time monitoring of inventory status.
Digitalisation of Laboratory Processes	Utilising Angle LIMS (Laboratory Information Management System) , ALS Malaysia integrates all laboratory instruments that enable direct data import from the instrument to reporting and billing, which eliminates human intervention and increase data integrity which in turn improves turnaround time from 93% to 99%.
Digitalisation of ASMA Operation	Automating key processes such as report generation and data management through the implementation of QAL2-CVT Automation System and ASMA Computerised Maintenance Management System Automation System (ASMA-CMMS). The systems designed to be mobile-friendly enhance the efficiency and accuracy by enabling real-time on-site image capturing, data collection, and processing whilst incorporating automated data validation, storage, and backup. With a centralised database and automated report generation that can be tailored to customer needs, the systems can reduce report generation by 99%, eliminate human errors, and efficiently handle large volumes of data and images, leading to optimised workforce utilisation, increased job satisfaction, ensured compliance with industry standards, and paperless workflow with e-signature functionality.



3.0 Executing sustainable processes

In today's global market, competition between businesses is a battle of the fittest. PICORP understands that customers are constantly seeking quality products and services that can fulfil their needs and requirements. In order to meet these needs and deliver on the promises that can delight our customers, a set of guidelines and winning strategies must be established and implemented, we must always strive to improve our processes.

Sustainable processes are the set of activities that are required in order for the organisation to create long term values for stakeholders and at the same time provide sustainable benefits to the environment and society. These processes need to be efficient and effective in order for an organisation to produce quality products and services that meet customer requirements.

STANDARDS



Delivery to Customer

PICORP acknowledges that, in our pursuit of sustainable growth and in fostering confidence among our clients, we must proactively and deliberately emphasise the need to adhere and to uphold proper standards so that we can create values that not only meet regulatory requirements but also exceed customer expectations. Standards, therefore, stand as the cornerstone for us to achieve sustainable processes, helping deliver business excellence.

Our Approach

In our approach to achieving and maintaining these crucial standards, the Group has strategically identified three key areas of management: Strategic Performance Management, Effective Value Chain Management, and Quality Management System, aimed at aligning our operations with overarching organisational goals.

Strategic Performance Management



Achieving overall organisational strategic business objectives

Since 2019, PICORP Group has adopted a systematic and structured **Strategic Performance Management** process led by the Group Executive Director.

PICORP Group Strategic Performance Management



1. Brainstorming sessions

These sessions are conducted from department level up to company level



2. Presentation of Business Plan

The Business Plan is presented to Group Management first before it is presented to the Board of Directors for approval.



3. Establishment of a Balanced Scorecard

Upon approval of the Business Plan by the Board, the Balanced Scorecards ("BSC") for each company and function will be reviewed and approved accordingly.



4. Periodical tracking of performance achievement

BSC is then used to monitor and track organization performance on monthly basis. The organisation is required to provide a recovery plan for any non-achievement so that the performance gap can be closed out or narrowed down.

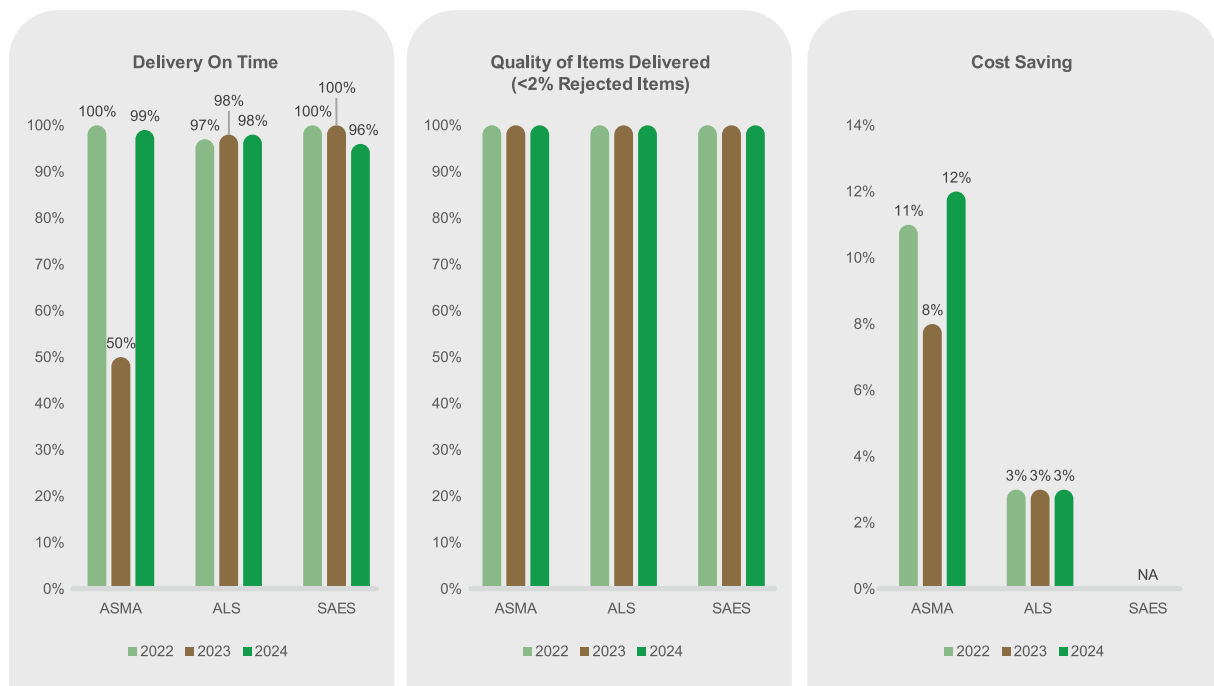
Effective Value Chain Management

Ensuring Sustainable Solutions and Efficient Deliverability

PICORP is dedicated to providing sustainable and environmentally friendly products and services. Through effective Value Chain Management (“VCM”), we ensure cost-effective solutions with efficient and quality deliverability, providing us with a good competitive advantage.

Control Measure

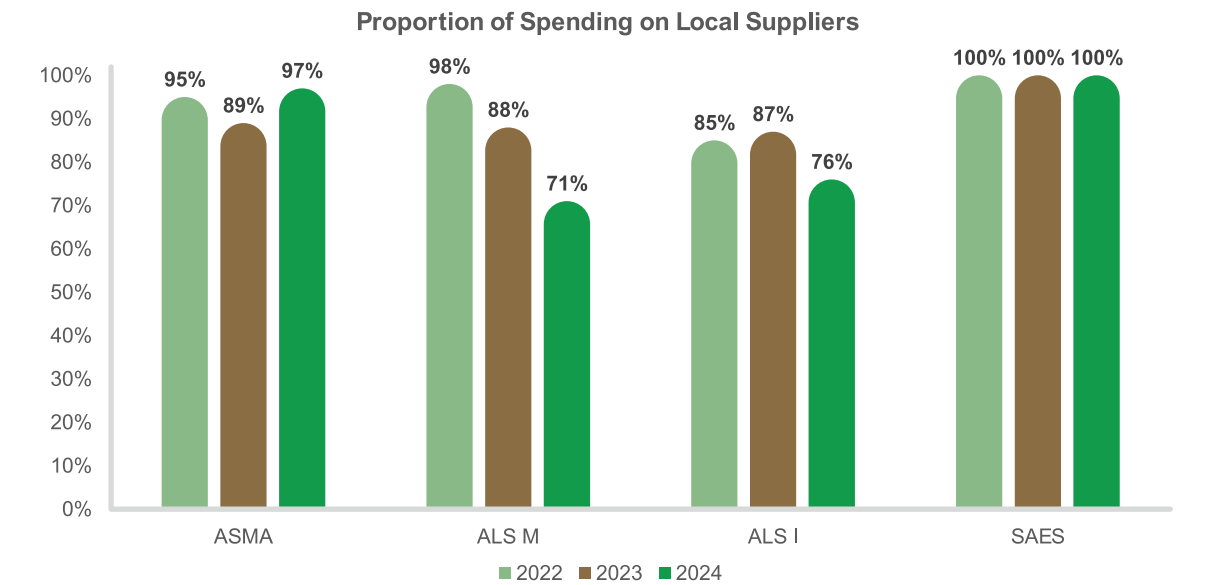
- Our VCM practices are guided by the Integrated Management System Policy ISO 14001: 2015 and Environmental Management ISO17025 (Laboratory analysis and consultancy where applicable).
- PICORP provides fair and equal opportunities to all vendors and suppliers who are interested to provide their services by submitting PICORP Vendor’s Prequalification Questionnaire and complying and pledging with our Environmental Pledge and Anti-Bribery Pledge for the Vendors and Suppliers.
- ALS Malaysia employs Supplier Corrective Action Request (“SCAR”) to all their suppliers when any problem or issue arises in order to delve into the root cause so both parties will be able to get the corrective and preventive actions. This process allows both the company and its supplier to work for a better solution and foster relationship and trust with one another.



The results above demonstrate that we had an effective and efficient VCM in 2024. Through its subsidiaries, PICORP achieved an on-time delivery rate of over 95% and 100% delivery of quality items to customers. ASMA, in particular, significantly improved its delivery on-time rate, reaching 99% in 2024 compared to just 50% in 2023. This remarkable improvement is attributed to key ASMA initiatives, including negotiating favourable payment terms with suppliers and identifying, clarifying and confirming project urgency with clients.

- a) Negotiating favorable payment terms with suppliers, and;
- b) Identifying, clarifying, and confirming project urgency with clients

Furthermore, ASMA and SAES allocated over 90% of their spending to local suppliers, underscoring their commitment to supporting local businesses. However, ALSM and ALSI allocated a lower proportion of their spending to local suppliers, primarily, due to the outsourcing of lab testing services that local ALS labs cannot provide, which were instead handled by other ALS labs overseas



Quality Management System

Conforming to outstanding quality of service

PICORP is committed to consistently providing quality data, products, and services to meet customer and regulatory requirements effectively and efficiently.



ALAM SEKITAR MALAYSIA
SDN BHD

Alam Sekitar Malaysia Sdn Bhd
("ASMA")

ASMA Integrated Management System has been developed in line with the requirements from the ISO 9001:2015 Quality Management Systems, as well as ISO 14001:2015 Environmental Management Systems and ISO 45001:2008 Occupational Health and Safety Management Systems.

Conforming to the outstanding quality of products & services, ASMA expands its services to the associate companies of PICORP as a consultant and advisor in various areas in the realm of quality. In relation to conformance with the Standards, ASMA endeavours to enhance its internal processes by integrating the various internal processes within the organisation and providing a process approach for project execution.

ASMA Quality Management Activities		
Activity	Date	Details of Outcomes
Safety Committee Meeting	March 24, July 24	Reviewed performance and reports from the previous quarter and planned for the following quarter.
Review Preparation for Internal Audit FY2024	April 24	Held a meeting with the Audit Committee to discuss the agenda and review key items such as SOPs, guidelines, training requirements, and reports.
ISO Internal Audit a. ISO 9001:2015 Quality Management Systems b. ISO 14001:2015 Environmental Management Systems	May 24, June 24	Conducted ISO internal audits for all departments with zero Non-Conformance Reports (NCRs). Certification expiry date: July 2027.

ASMA Quality Management Activities		
Activity	Date	Details of Outcomes
LRQA Re-certification Audit	June 24	LRQA certification was renewed with six minor Non-Conformances (NCs).
Quality Management Awareness	August 24	Quality Management awareness session conducted by the ASMA CEO for all staff.
Internal Audit by Baker Tilly FY2024 (Business Development, Proposals, Project Execution, Revenue, and Accounts Receivable)	August 24, September 24	Internal audit covered Business Development, Proposals, Project Execution, Revenue, and Accounts Receivable. Final report from Baker Tilly is still pending.
Vendor Audit with Procurement Department	November 24, December 24	Conducted vendor audits with the Procurement Department to assess ASMA sub-contractors

To encapsulate, the outcomes of these activities proved that ASMA Integrated Management System is effective and running well.

Recognitions: Accreditation, Award & Certification (ASMA)

1. Special recognition award for Contractor HSE Excellence (CONHEXA) from Pengurusan Air Selangor Sdn Bhd during the Contractor HSE Excellence Award conference on 8th January 2024.



**ALS Technichem (Malaysia) Sdn Bhd (“ALS Malaysia”),
ALS Technichem (PG) Sdn Bhd (“ALS PG”) (fka Merieux NutriSciences
Malaysia Sdn Bhd) and PT ALS Indonesia (“ALS Indonesia”)
(collectively, “ALS”)**

The ALS Quality Management System (“QMS”) is structured to include the needs of clients and ALS corporate policies, as well as accreditation, licensing, and certification requirements. ALS achieves and maintains its high standard through a quality system focus combined with documented policies and procedures. The system is supported by a dedicated team of highly experienced professionals who maintain the QMS, conduct internal audits and proficiency programs, control documentation, identify improvement opportunities and assist in training and compliance.

Analytical methods

All analytical methods used at ALS undergo validation prior to their approval for use in the laboratory. The approved methods contain criteria for quality control and performance criteria that provides information on each preparation and analytical stage of analysis. Data generated are compared to data quality objectives. This is in line with ALS policy to generate scientifically sound and legally defensible data, and to provide high-quality testing services in compliance with accreditation and regulatory requirements.

Internal audits

Scheduled internal audits are performed on all quality management system elements. System audits are qualitative evaluations of all components of the laboratory systems. They determine if the measurement systems are being used appropriately. Such audits typically involve a comparison of the activities given in the Quality Assurance (“QA”) Manual with those actually scheduled or performed and are conducted by a QA Manager at each facility. Audit findings are used by ALS to improve process performance.

Business opportunities

ALS focuses on driving growth by successfully operating their existing businesses unceasingly whilst pursuing new opportunities. ALS management team is highly experienced in managing the companies through all economic cycles and has swiftly moved to strategically align operations to different client demands in each market. ALS shall continue to focus on the food and pharmaceutical sectors for growth in the Life Sciences division. Despite this challenging economic environment, the key elements of their long-term strategy remain on track, with a continued focus on organic growth opportunities and developing new capabilities and markets.

Activity	Date	Details of Outcomes
SAMM Surveillance Audit	7-9 Aug 2024 21 – 22 Nov 2024	16 non-conformities were identified. Corrective actions for 9 non-conformities have been accepted by the Department of Standards Malaysia, whilst the remaining are pending corrective action responses.
SAMM Reassessment Audit	12- 14 Mar 2024 26 Mar 2024	30 non-conformities were identified. Corrective actions have been accepted by the Department of Standards Malaysia.
SAMM Extension of Scope Audit	1 - 2 Feb 2024 11 March 2024 7-9 Aug 2024 10 Oct 2024 21 – 22 Nov 2024 3 – 4 Dec 2024	65 new SAMM scopes have been approved.
GMP Plus Certification Renewal	1 - 2 Feb 2024 11 March 2024 7-9 Aug 2024 10 Oct 2024 21 – 22 Nov 2024 3 – 4 Dec 2024	65 new SAMM scopes have been approved.
Department of Fisheries Audit	23 Aug 2024	Two observations were raised, which were responded to and accepted. The renewal letter of DOF recognition was received.
IKM Audit	23 Aug 2024	No findings were reported. The IKM Laboratory Excellence Award 2024 was received.
Client audit	Throughout the year	A total of 14 client audits were conducted, resulting in 26 non-conformities (NCs) and 6 opportunities for improvement (OFIs).

Recognitions: Accreditation, Award & Certification (ALSM)

Outstanding achievements

2024: IKM Laboratory Excellence Award by Institute Kimia Malaysia (IKM)

1. IKM Laboratory Excellence Award for ALS Shah Alam
2. IKM Laboratory Excellence Award for ALS PG
3. IKM Laboratory Excellence Award for ALS Johor Bharu
4. IKM Laboratory Excellence Award for Asiatest at Kota Kinabalu

2024 IKM Laboratory Excellence Silver Award for Asiatest Lab at Kota Kinabalu for its outstanding achievement in attaining the IKM Laboratory Excellence Award for a continuous period of 10 years (2015-2024).

Accreditations

1. ALS Malaysia and ALS PG are accredited under SKIM Akreditasi Makmal Malaysia (SAMM) which meets the requirements of MS ISO/IEC 17025:2005 'General requirements for the competence of testing and calibration laboratories'.
2. ALS Indonesia is accredited under Komite Akreditasi Nasional (KAN) which meets the requirements of SNI ISO/IEC 17025:2017 'General requirements for the competence of testing and calibration laboratories. These standards are identical to ISO/IEC 17025:2005 published by the International Organisation for Standardisation ("ISO").
3. ALS PG is the only commercial laboratory in Malaysia being recognised with **OECD Good Laboratory Practice ("GLP")** for agrochemical and pesticide testing (GLP 001) by Department of Standards Malaysia.

Panel Laboratory for

- Ministry of Health, Malaysia (Health Certificate & Food Safety)
- Ministry of Health, Malaysia (COVID-19 RT-PCR)
- Ministry of Health, Malaysia (NPRA)
- Department of Fishery (Health Certificate – Diseases Testing)
- Recognised Analysts by Department of Environment Malaysia, Department of Occupational Safety and Health Malaysia
- Ministry of Environment and Forestry Indonesia



SAUDI ASMA
ENVIRONMENTAL SOLUTIONS LLC

**Saudi ASMA Environmental Solutions LLC
("SAES")**

SAES Quality Management System is in accordance with the international standard certification, the Company's ISO9001:2015 for Public Health & Integrated Pest Management and ISO 14001:2015 Environmental Management System have successfully been reissued. At the same time, we have also recently been certified with ISO 45001:2018 for Occupational Health & Safety Management System.

SAES demonstrates its highest commitment to promote best practices in its Integrated Pest Management services. This is evident via its certification as an Observer Member with the British Pest Control Association and its membership with the National Pest Management Association, United States, reflecting our continuous effort towards providing highest quality of services through continuing education, access to pest management research and keeping abreast with the relevant pest management and treatment recommendations as well as adherence to the Codes of Best Practice of these internationally recognised Pest Control Association organisations.

SAES also holds the NCEC Licence Grade C, a regulatory requirement and strategic asset that signifies trust, compliance, and capability in delivering professional environmental services in Saudi Arabia. This certification strengthens SAES's credibility, ensures compliance to national environmental regulations, and positions the company to contribute to sustainability goals under Vision 2030, whilst also enabling access to key projects and growth opportunities in the environmental sector.

Customers have always been at the core of our interests. We place a great emphasis on taking care of our customers’ needs and ensuring that our customers are satisfied with the services that we provide, as they are key factors for our long-term success. Aside from adhering to the quality standards, we take our customers’ feedback thoughtfully as we value the information, insights, issues, and input our customers share. This helps to shape our businesses in the direction that creates a strong connection and attachment between us and our customers, ultimately, gives a positive financial impact.

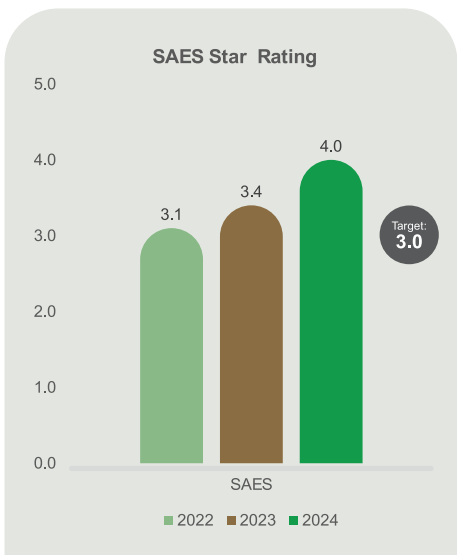
Our Approach

Our commitment to enhancing customer service experience is reflected through diverse channels, including regular feedback via Customer Satisfaction Survey (“CSS”) and Star Rating methods.

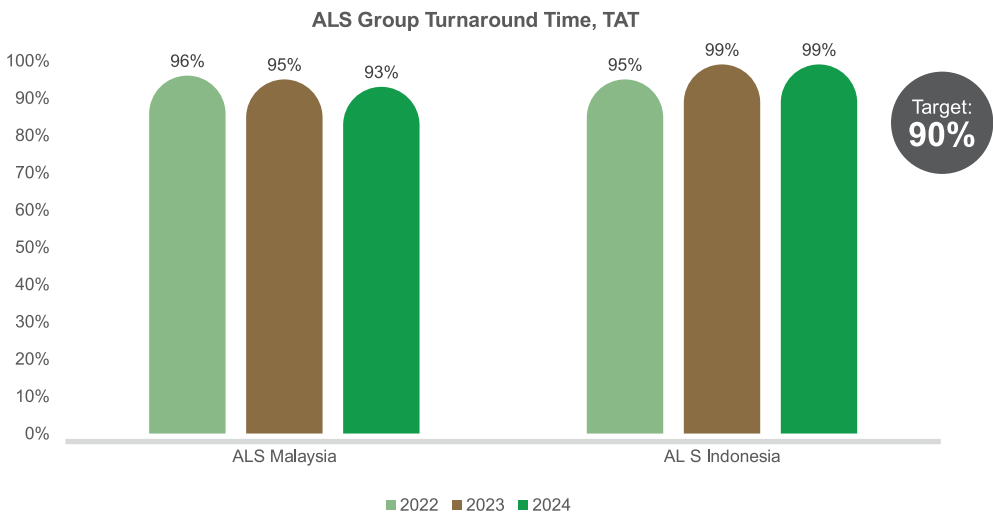
Delighting Customers

Customer Service ASMA

For the environmental monitoring, consultancy, and services segment, 2043 CSS was conducted by ASMA to gauge its performance in project delivery with the objective target of 85% in rating. The Quality Assurance department oversees this particular area and carried out a series of programmes in 2024 to meet the set KPIs. The results are as shown below:



For the laboratory services segment, the 2024 CSS was conducted by ALS Malaysia and ALS Indonesia (“ALS Group”) to gauge its performance in Turnaround Time. ALS Group maintained their Top 3 ratings in the following key areas: quality, pricing, and client services. The results are as follows:



Emissions management involves strategies and processes to monitor, reduce, and control the release of harmful pollutants and greenhouse gases (GHGs) into the atmosphere. These emissions originate from various business activities, including direct fuel use in operations (Scope 1), purchased energy to power facilities (Scope 2), and value chain activities such as supplier operations, product transportation, employee commuting, and product disposal (Scope 3). By addressing emissions across all scopes, PICORP ensures sustainable operations whilst actively minimising its environmental footprint.

Effective emissions management is crucial not only for ensuring compliance with environmental regulations but also for minimising environmental impact and supporting global efforts to combat climate change.

PICORP also empowers its clients to achieve their sustainability goals through solutions such as environmental monitoring, laboratory testing services, water treatment solutions, environmental digitalisation, and training. This dual approach enhances environmental stewardship and reinforces PICORP's role as a trusted partner for businesses striving to align operations with sustainability and regulatory compliance. Please refer to section Offering Sustainable Products & Services for further details.

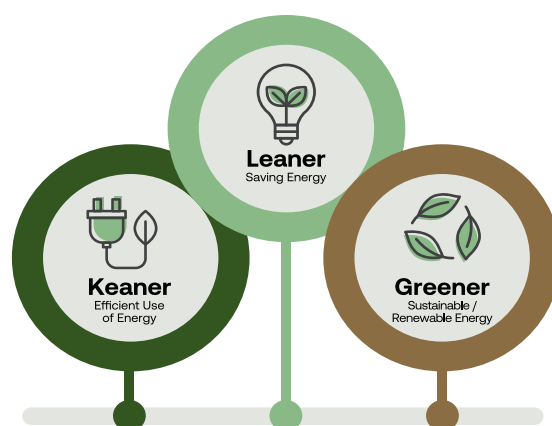
By embedding effective emission management into its own operations and service offerings, PICORP demonstrates that business growth and sustainability can go hand in hand.

Our Approach

PICORP emissions management is reflected in our operations and infrastructure across all offices through effective energy, water, and waste management practices.

Managing Emissions Today for a Sustainable Tomorrow

Energy Management



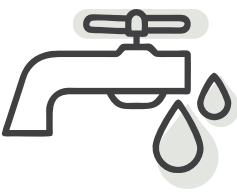
1. Centralised air conditioners will automatically shut down by 6 p.m., and all lights and non-centralised air conditioners must be turned off after use.
2. Encourage the digitisation of documents and process automation to support a paperless initiative and reduce printer usage.
3. Virtual meetings are highly encouraged, where feasible, to minimize the use of meeting rooms for internal meetings and to optimize logistics, reducing gas consumption for external meetings.
4. Monitor mileage and optimize logistics to minimise gas consumption
5. Replacing old air conditioners reduces power consumption, as the new units operate more efficiently. Installing motion sensors and LED lights helps lower power consumption.
6. Installing PV Solar system to reduce power consumption and carbon footprint.

Water Management Initiatives at PICORP



Water Saving Awareness

PICORP encourages water conservation with Toilet Talk posters in restrooms, reminding staff to turn off taps and be mindful of water usage.



Daily Leak Detection & Repair

PICORP checks for water leaks daily and fixes them promptly to prevent waste and ensure efficient water use.

Waste Management Initiatives at PICORP



PICORP promotes sustainability by reducing paper use through digitalization, encouraging double-sided printing when needed. We minimize single-use plastics by using reusable items like woven bags and recycling plastics properly. Glass bottles are collected and recycled via designated bins, including sampling containers and glass solvent bottles. For e-waste, obsolete devices and office equipment are properly disposed of through certified e-waste vendors.

Additionally, general waste is collected by a service provider based on a regular schedule (daily or weekly) and disposed of in landfills. The frequency of collection determines the total amount of waste sent to landfills. For hazardous waste generated by ALS, it is sent to a government-approved contractor for safe disposal, in line with regulations.

2024 Emissions Data (Tonnes CO2e)

TOTAL EMISSION: 4,129 tonnes of CO2e	SCOPE 1	SCOPE 2	SCOPE 3 (Business Travelling & Employee Commuting only)
PICORP	0.38	1222.40	143.86
ASMA	12.19	Included in PICORP	214.95
SAES	380.36	N/A	0.38 (For HQ staff only)
ALS	378.43	1230.00	252.35



PICORP's power consumption and water usage increased by 7.2% and 30.7%, respectively, from FY 2023 to FY 2024, primarily due to a higher space occupancy rate at Mercu PICORP, which rose from 86% to 93%.

Conversely, ALS made significant progress in sustainability, reducing power consumption by 8.4%, following the installation of photovoltaic (PV) solar panels in Q4 2023, despite a 14% increase in sample flow and a 16% rise in total tasks. Water consumption at ALS decreased by 62.8%, attributed to heightened water conservation awareness and proactive measures, including replacing faulty rooftop tank float pump, repairing broken restroom pump, fixing leaking toilet bowl, and implementing a scheduled maintenance routine to prevent water leakage. These efficiencies were achieved despite increased water demand driven by higher sample volumes.

In waste management, the Group focused on waste reduction, reuse, and recycling initiatives, and is now planning a strategy to address landfill-bound waste to better align with sustainability goals.

The Group remains steadfast in its commitment to intensifying efforts to reduce power consumption, water usage, and overall carbon footprint across all offices, whilst ensuring revenue is not comprised by promoting collaboration among stakeholders, improving the efficiency of raw materials and resources utilised in daily operations, and fostering a culture of responsibility.

At the same time, Group also committed to helps our customer in reducing their carbon footprint through our products and services offerings.

Research & Development (“R&D”) plays a very important role in the success and sustainability of a business. R&D is essential for gaining and maintaining a competitive edge, business growth, and increased long term bottom-line profitability. R&D sets a roadmap and creates a long-term vision and strategy for a company seeking innovation whilst shaping the path for the organisation to gain a better foundation, understanding, and future capabilities and potential.

PICORP Corporate R&D, a division under PICORP which was officially established on 25 March 2019 to serve the Group, is an integral part of the Group innovation ecosystem. Understanding the importance of Product Life Cycle Management (“PLM”), this division addresses product management through all life cycle in a more comprehensive and sustainable way.

Our Approach

Innovating Today for a Sustainable Future

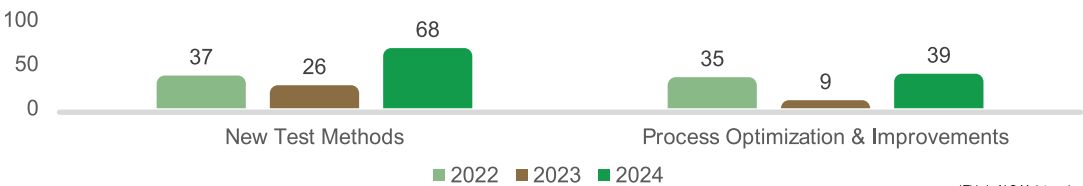
PICORP Corporate R&D undertook key activities throughout 2024 to develop new methods and support the enhancement of the MyHERO® series. The team successfully completed the development of MyHERO® 4.0, which enables the integration of MyHERO® 1.0 with pre-treatment or post-treatment technologies. MyHERO® 1.0 is a cutting-edge wastewater treatment system for Palm Oil Mill Effluent (POME) that meets the Department of Environment (DOE) requirements. This integration ensures that MyHERO® continues to perform at its optimal level as intended.

In 2024, ALS focused its research on the analysis of the food and agrochemical segments. The new portfolio introduced that year aimed to expand specific test methods based on clients’ unique demands and broaden the scope to cover a wider range of sample matrices. Ongoing efforts were also directed towards optimising and improving existing methods to ensure the quality of their service is maintained, particularly in the food and environmental segments.

2024 Research & Development Data

Segments	New Test Methods	Process Optimization & Improvements
Food	16	14
Pharmaceutical	0	0
Environmental	6	12
Microplastic	4	1
Biotechnology	7	5
Tribology	0	1
Agrochemical	29	0
Microbiology	6	7

2022 – 2024 New Test Methods & Process Optimizations and Improvements



*This is ALS M data only

Across all of our operations, safety and health are the number one priority. PICORP does not compromise when it comes to its employees' safety and health to ensure that our businesses can be operated in a safe, reliable, and secure manner. Our dedication to preventing illness and injuries among our workforce is not only an ethical stance but also a strategic decision to guarantee the secure and dependable functioning of our businesses, ultimately leading to increased efficiency and optimal output.

Health, Safety and Environment is the fundamental concern in all aspects of work in PICORP; however, we embed the culture of safety as a shared responsibility throughout the workforce. The nature of our industry poses plethora of hidden and apparent risks, our employees and sub-contractors work in a complex and fast-moving environment with regular exposure to hazardous odours and hazardous testing materials either at sites or laboratories.

Our Approach

Ensuring the Health & Safety of Employees

To address these risks, we have formed the Group's Occupational Health and Safety Working Committees ("HSE"), fostering a safety-conscious environment that improves awareness, boosts morale, reduces costs, maintains a positive safety reputation, and ensures compliance with regulation.

Our commitment to addressing health, safety, and related concerns is further reflected through various HSE initiatives, such as meetings, inspections, training, and toolbox talks.

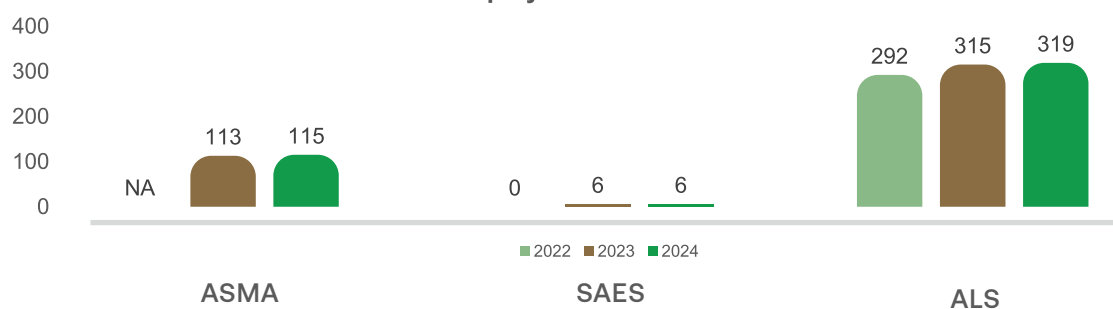
Safety and Health – Collaborative Action Towards a Shared Responsibility 2024

Training	Execution	Check For Improvement
28 Toolbox Sessions 9 HSE Training Sessions	4 HSE Inspections 4 HSE Programs	9 HSE Committee Meeting 12 HSE Performance Reporting

2022 – 2024 Safety Health Achievements

0 Number of work-related fatalities	0 Loss Time Injuries	100% Compliance to OSH
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Number of Employee Trained on HSE Standards



People are a crucial factor in PICORP's shared success. PICORP's business continuity and sustainability can only be achieved through its committed, passionate, and dedicated workforce. We strive to ensure that our talents' personal growth and development are taken care of, and we put our best efforts to boost engagement, increase retention, and create a diverse and inclusive workplace through effective talent management.

Our Approach

Sustainable Talent Management in Action

Our talent management initiatives involve adherence to local labour and employment-related laws in all our human resources practices and management. Moreover, they are guided by a strategic approach that comprises three (3) main scopes: Talent Acquisition, Talent Development, and Talent Retention. The objective is to safeguard the completeness of the management and development initiative on human capital, supported by the Human Capital Information System to facilitate efficient talent management.

Talent Acquisition

Talent Acquisition is one of the key strategies in our talent management. It involves several ongoing strategic processes that focus on the long-term Human Capital planning to acquire the right talent with the right knowledge, right skills, and the right attitude. New employees are given a comprehensive on-boarding program to align themselves with the company's culture and system.

Effective talent acquisition is important in acquiring the right talents, and ultimately, supporting business growth and sustainability. We equipped our Talent Acquisition team with the right training and skills to enable them to execute PICORP's strategy to identify internal and external talent to fulfil business requirements.

Talent Development

A high skilled workforce allows high level of operations; this in return generate a larger profit margin. Therefore, Talent Development is a crucial strategic approach of our talent management in order to retain talented employees and nurture them.

Talent Development refers to the process of managing the competencies of our talents through an effective assessment approach and investment towards their growth and development by providing appropriate training programs, leadership development, and mentoring with the aim to enhance workforce capabilities and improve organisational performance and compliance.

In 2024, GHC aimed to enhance and realign its talent development initiatives into a comprehensive Employee Development Program (EDP). This program, which is a part of Annual Training Plan (ATP), was designed to cater to a broader audience, including non-executives, executives, and managerial levels, ensuring that every employee had access to learning opportunities aligned with their roles and career aspirations. The 2024 EDP introduced a structured, tiered system comprising Basic, Intermediate, and Advanced levels, tailored to employees' varying skill sets and experience levels. The structured training approach equipped employees at all levels with the necessary tools and knowledge to contribute to organisational growth and success. In total, 23 training sessions were conducted, with 78% of trainers sourced from in-house talent.

Delivering personalised experiences through the guidance of Subject Matter Experts (SMEs) has always been the top priority in developing our people. Through this approach, the company is able to expedite the dissemination of applied knowledge to improve its organisational performance.

Talent Retention

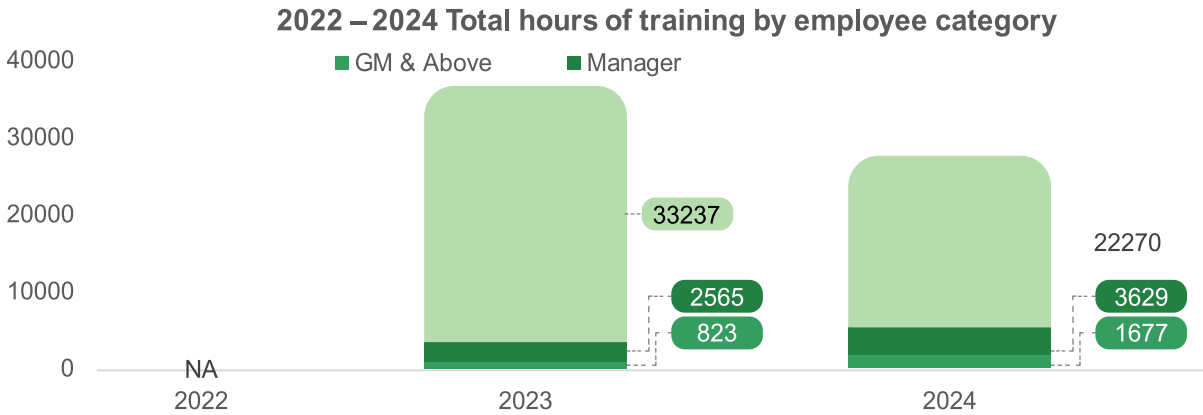
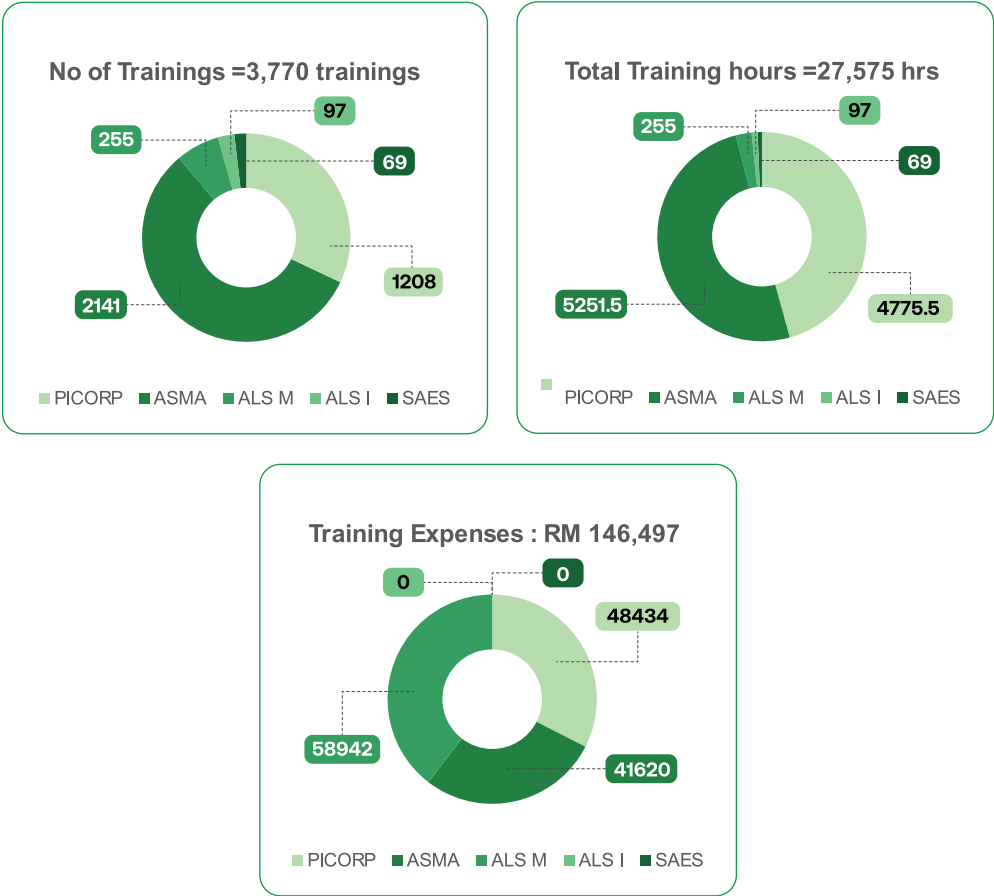
Talent retention focuses on retaining high skilled and talented employees. As a responsible organisation, we strive to create a work environment that is both attractive and sustainable for the long-term operation by executing effective; engagement activities, employee welfare plan, employee performance management system, competitive compensation and benefits package including opportunities for career growth.

In 2024, key performance indicators ("KPIs") were aligned towards the company's strategy, with long-term focus areas on the financial, customer, internal process and learning and growth. PICORP channels newer approaches to enhance performance management which includes regular reviews of the company's and department's achievements. This was done through a regular series of management meetings. PICORP also aligned performance with rewards involving pay for performance which provides a clearer link of view to drive performance.

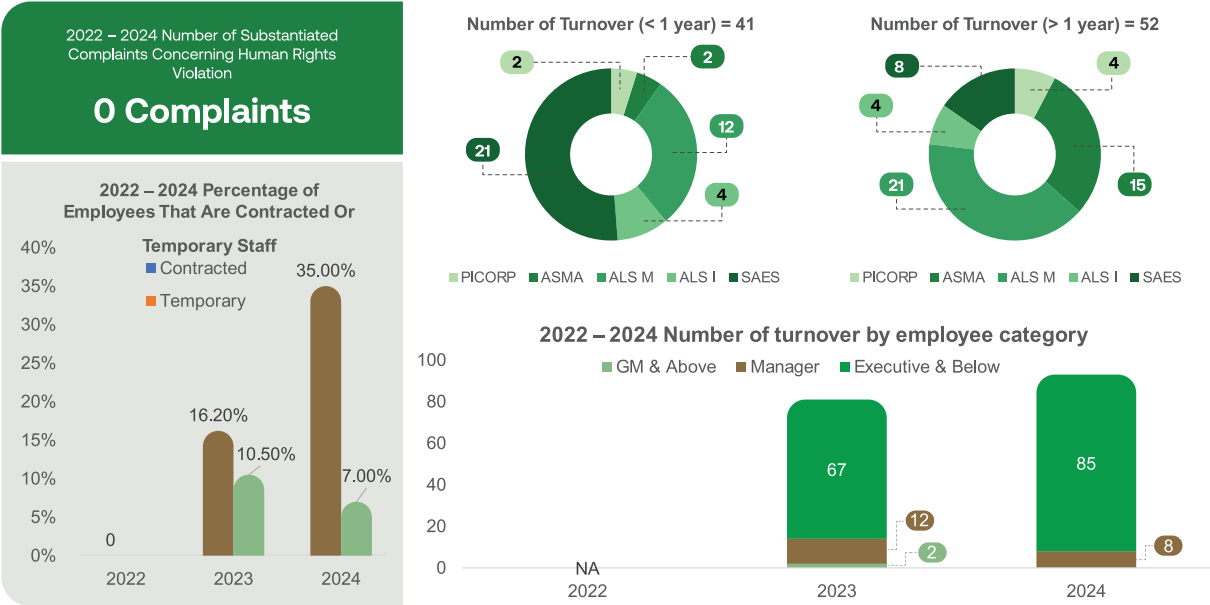
Compensation and benefits are other important aspects of Human Capital Management that act as a medium to keep the workforce motivated. Compensation and benefits are allotted to employees based on their performance and actions to bring the best out of employees at the workplace. In the year 2024, PICORP had allocated provisions for salary increment, salary adjustment, Bonus/Ex-Gratia and 13th-month salary pay-out for eligible employees to reward their continuous commitment and contribution towards the achievement of business objectives. In addition, PICORP secures employees' benefits to be on par with the market offering through the revision of employees' tangible and intangible benefits lines. This includes the provision of improved medical and insurance benefits.

Career progression denotes the growth of employees in an organisation. It is an effective means to achieve the company's future growth and success through the orderly movement of employees to the right positions they are qualified for. In 2024, PICORP boarded the upgrading and promotion initiative across the Group guided by dynamic selection criteria to reward the right talent and to accord them with a good career path. It can either be vertically, for positions of greater responsibility or horizontally, for positions encompassing a breadth of the relevant functions.

2024 Training Achievement



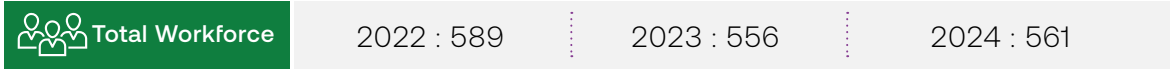
2024 Employee Turnover



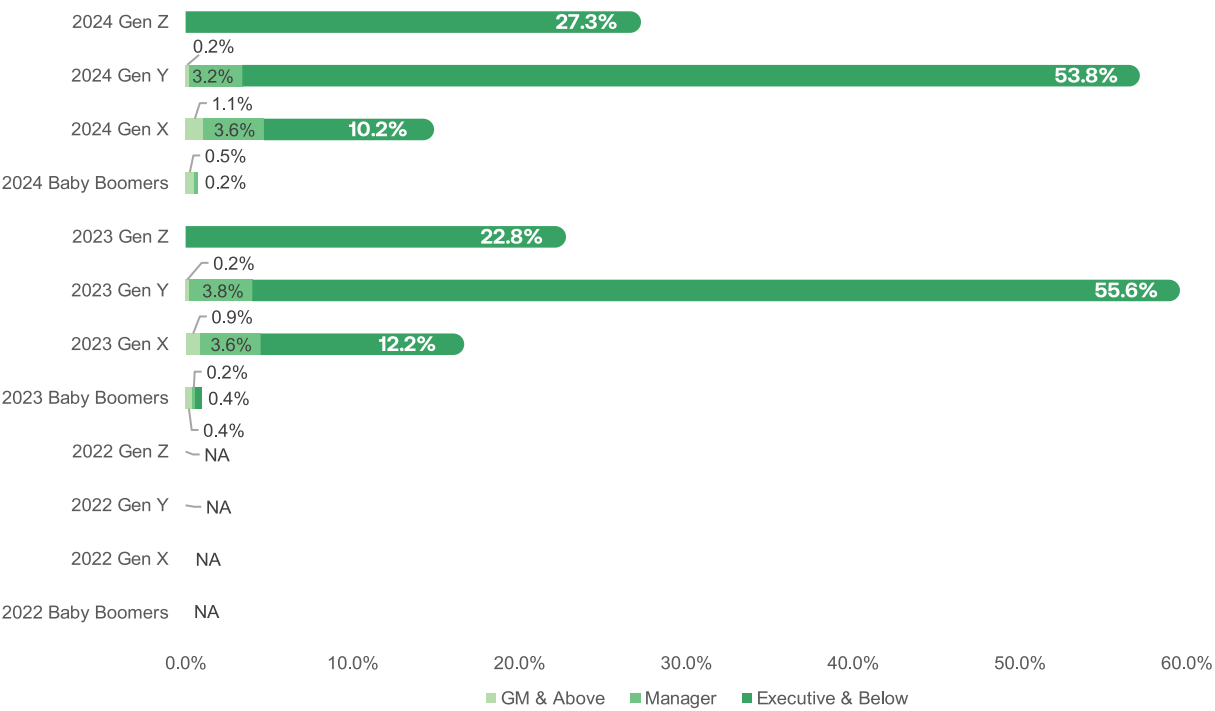
Workplace Diversity And Inclusion

Promoting diversity and equal opportunity

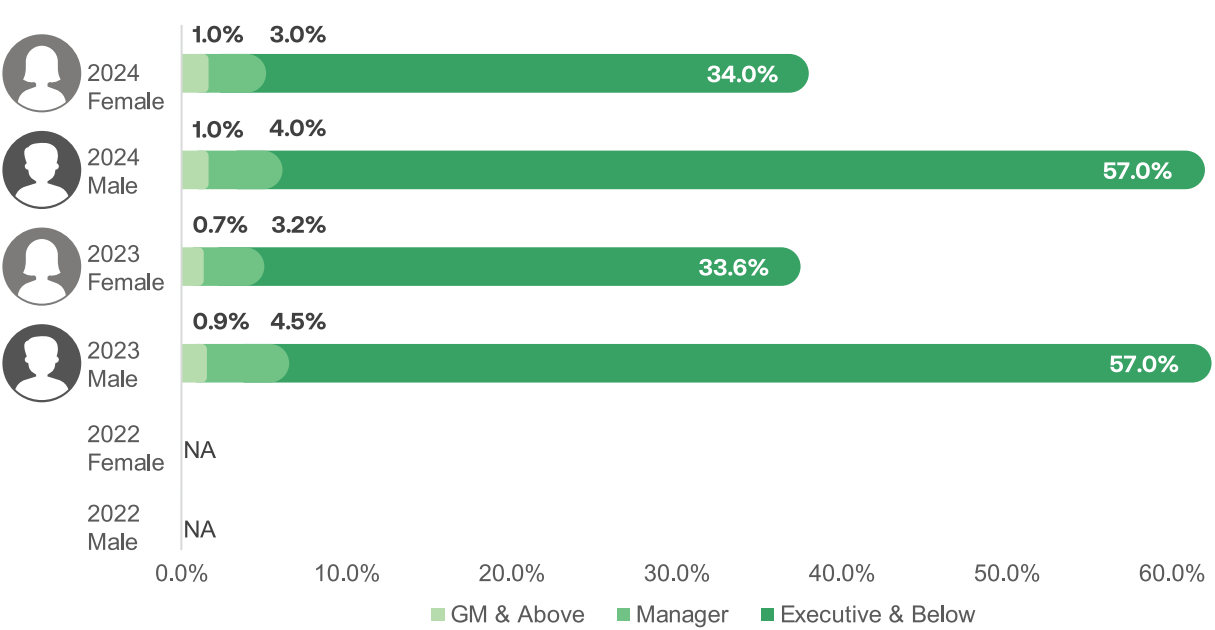
Inclusive and equitable work environment enhances working experience. PICORP strives to create a diverse and inclusive workplace where all employees are valued by providing a workplace that is fair, flexible, safe, supportive, and free of discrimination, and employment disadvantages. We ensure every employee is valued irrespective of gender, age, ethnicity, religion and nationality.



2022 - 2024 Percentage Employee By Age Group

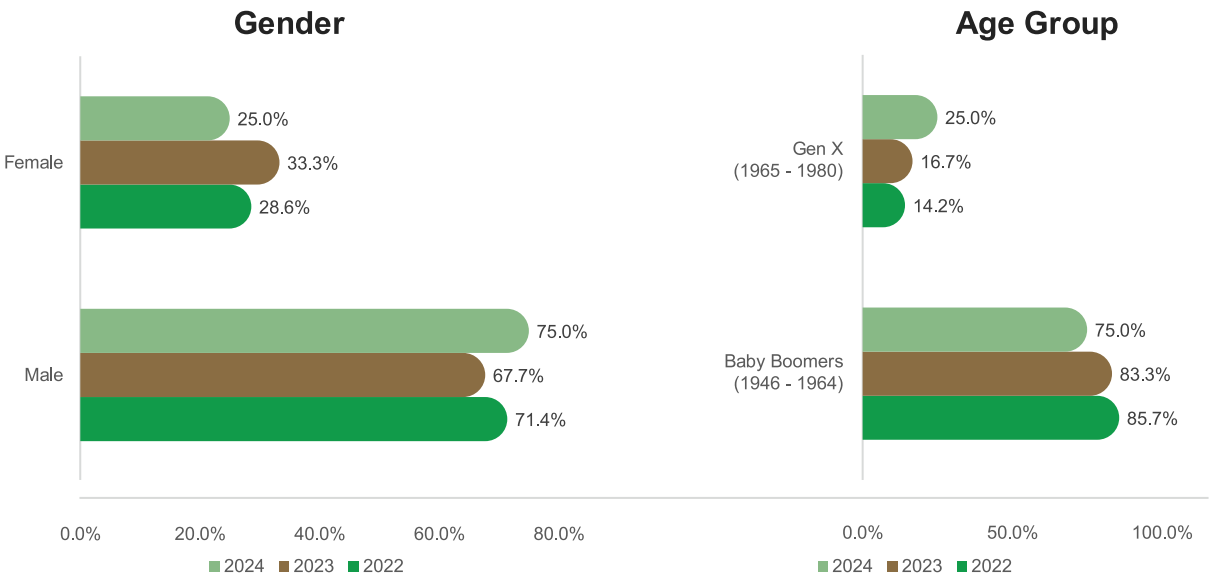


2022 - 2024 Percentage Employee By Gender



This commitment to diversity extends to our leadership as well. PICORP prioritises board diversity, recognising that a mix of perspectives, expertise, and experiences is essential for effective governance and decision-making. Our board reflects a balanced composition in terms of gender, age, and professional background, which helps us navigate challenges, drive innovation, and uphold our commitment to inclusivity across all levels of the organisation.

2022 - 2024 Percentage of Directors By Gender and Age Group



WELFARE & CHARITY

Community Contribution & Engagement

We have a strong ethos of caring for the community, which is an extension of our belief in democratising privileges. Everyone is important to us, and we demonstrate this by contributing our profit and knowledge to the community to serve the underserved and bring people of the world closer together. PICORP aims to set an example as a good corporate citizen, by working together with the community for its growth towards the improvement of life quality.

Our Approach

Corporate Social Responsibility (“CSR”) has become an integral part of PICORP’s business. Whilst CSR is a voluntary action, we understand that it holds great importance in demonstrating our commitment to social and environmental responsibility.

Our CSR initiatives are meant to create a better future not only for us, the industry, and the environment but also for the communities. We believe that every small act of kindness or contribution can make a big difference. We aim to give back one-third of our income to the community, with hope to serve the underserved.

In 2024, PICORP allocated RM 524,783 for charity through a charity foundation with 98% directed to community. These entities distribute funds to various beneficiaries, including nonprofits, , elder care homes, orphanages and madrasahs.

Enhancing community livelihoods

YEAR	2022	2023	2024
Total amount invested in the community where the target beneficiaries are external to the listed issuer.	RM 659,659	RM 638,732	RM 524,783
Total number of beneficiaries of the investment in communities	4	5	3



4.0 Offering sustainable products and services

At PICORP, we put greater focus on offering sustainable products and services to customers. We believe that these products and services can generate measurable social and environmental benefits alongside financial returns, creating long-term value for shareholders and society at large.

This is part of our commitment to protect the environment and preserve the planet for our children and future generations, to the well-being of society – a clean and safe environment, clean and safe food and good health. This is in line with our vision to be a world-class business organisation focusing on cost-effective environmental solutions which shall benefit the environment and mankind.

TECHNOLOGY



M7

Delivery to Customer

Technology is an essential part of any organisation's success. Whilst technology is evolving rapidly, organisations need to make continuous investments in technology to maintain a competitive edge and stay relevant. Technology drives innovation and never stops, and to keep current, we need to continually review our systems and processes and the technology that enables them.

Delivery to customer

Our Approach

R&D is an important driver of economic growth as it spurs innovation, invention, and progress. R&D is the part of a company's operations that seeks knowledge to develop, design, and enhance its training products, services, technologies, or processes. PICORP Corporate R&D drives the innovation activities in PICORP to expand and strengthen existing products and services whilst making strides in helping reduce the environmental impact and build a circular economy.

In 2024, PICORP invested RM 1,109,787 into R&D in environmental segment and new equipment for lab and sampling.

R&D Investment					
2022 ▶	RM 372,968	2023 ▶	RM903,171	2024 ▶	RM 1,109,787

In 2024, ASMA launched 3 solutions namely SBR system, MyHERO 4.0 with post-treatment and MyHERO 4.0 with pre-treatment to expand their wastewater treatment solution for both domestic and industrial applications.

ALS Malaysia has enhanced its laboratory capabilities by adding several new sampling and laboratory equipment such as Gas Chromatography with Flame Ionisation Detection (FID) for agrochemical and food segments, Liquid Chromatography–Mass Spectrometry for environmental segment and qPCR thermal cycler for biotechnology segment.

SOLUTIONS



M7

Delivery to Customer

It is important for PICORP to provide solutions that can address market unmet needs and fulfil market demand to sustain business growth, maintain relevance, and achieve long-term success in a competitive market landscape.

Our Approach

AI-Water Quality Monitoring Programmes

As water pollution issues are becoming more critical, water quality monitoring programmes are vital to control and reduce its impact to a minimum level. Running on artificial intelligence ("AI") technology, River Pollution Load Analysis System (R+PLAS) is a sophisticated tool with self-learning capability to indicate the assimilative capacity of a river as well as the segregation of pollutant sources according to the characterisation flow. R+PLAS is capable to assess pollutant load in real-time with the integration to geographic information system ("GIS") for point source mapping, net promoter score ("NPS") prediction model and early warning system.

Accredited test methods

In order to ensure the laboratory testing services, remain relevant and provide a competitive edge in the market for business sustainability, ALS R&D team constantly develops new test methods and validates their existing test methods. In 2024, 65 accredited test methods by ALS Malaysia were added in Skim Akreditasi Makmal Malaysia (“SAMM”) extension of scopes, whilst 38 test methods were removed and no longer offered due to less market demand and being updated to comply with the latest standard.

Extension of SAMM Scope				
Malaysia	7 Food	20 Environmental	27 Microbiology	11 Biotechnology
Deletion of SAMM Scopes				
Malaysia	6 Microbiology		32 Environmental	

ALS Accreditation Test Methods			
	2022	2023	2024
Extension of SAMM Scopes (ALS Malaysia)	24	46	65
Deletion of SAMM Scopes (ALS Malaysia)	1	0	38
Extension of KAN Scopes (ALS Indonesia)	80	106	0
Deletion of KAN Scopes (ALS Indonesia)	0	33	0

ENVIRONMENTAL MONITORING AND EMISSION CONTROL

Our environmental monitoring and services encompass air quality management, water quality management, laboratory testing and environmental consultancy, which have tremendously helped evaluate and assess the environmental conditions in providing useful data to the authorities and respective organisations to perform preventive measurements.

We leverage the growing interest within the industry to comply with the DOE regulations on the Environmental Quality Act 1974, as well as ISO 14001:2015 Environmental Management System which requires the provision of environmental monitoring services. Reliability and data integrity have always been our primary aim in providing timely professional services, well supported by ALS’s SAMM accredited lab.

Our Approach

Air Quality Management

Our air quality management services offer a sustainable solution for industries like oil and gas, energy and manufacturing, helping them comply with environmental regulations, especially Environmental Quality Act 1974 (Clean Air Regulation 2014). Our air quality management services comprise of ambient air quality monitoring services, emission monitoring services, weather monitoring services and emission system audit.

Predictive Emission Monitoring Solutions (“PEMS”) lie at the heart of our offerings. These cutting-edge solutions are designed to provide advanced emissions monitoring capabilities whilst ensuring compliance with regulatory standards.

he features of PEMS, including their accuracy, reliability, and early warning system, translate into tangible advantages for our clients:

1. **Accurate Monitoring for Compliance.** By leveraging PEMS, industries can accurately monitor their emissions, ensuring adherence to regulatory standards and avoiding potential fines. PEMS are designed to provide advanced and superior emissions monitoring capability and are guaranteed to pass the certification testing. PEMS has been demonstrated to be accurate and highly reliable compared to Continuous Emission Monitoring Solutions (“CEMS”) in independent field tests conducted in accordance with U.S. EPA tests methods and procedures.
2. **Robust and Cost-Effective Solution.** PEMS offer a robust and cost-effective alternative to traditional CEMS. Average 500W/day is required to run PEMS whereas an average of 20,000 to 50,000W/day is required to run CEMS. With minimal maintenance requirements and lower operational costs, our clients can achieve significant savings whilst maintaining efficient emissions monitoring capabilities. This translates into long-term cost savings and improves financial performance.
3. **Enhanced Environmental Performance.** Implementing PEMS enables industries to optimise their processes for better performance, leading to reduced emissions and resource consumption. By actively monitoring and mitigating emissions, our clients can minimise their environmental footprint, contributing to overall sustainability efforts and positioning themselves as leaders in green production and energy efficiency.
4. **Streamlined Compliance and Operational Efficiency.** PEMS streamline the compliance process, providing real-time data and insights that empower our clients to make informed decisions. This not only simplifies regulatory reporting but also enhances operational efficiency, allowing businesses to focus on their core activities whilst meeting environmental obligations seamlessly.

Through our extensive experience and track record of over 40 PEMS-related projects approved by DOE nationwide, we demonstrate our commitment to reduce environmental impact and promoting sustainable practices across industries. Our air quality management services, not only benefit clients from state-of-the-art technology but also contribute to a healthier environment and a more sustainable future.

Water Quality Management

Water is at the core of sustainable development and is critical for socio-economic development, healthy ecosystems, and human survival itself. It is vital for reducing the global burden of disease and improving the health, welfare, and productivity of populations. In response to challenges surrounding water quality, our water quality management system has led the way to provide technological breakthrough for drinking water, river, lake, marine water, and industrial effluent.

We have installed more than 100 units of online water quality monitoring systems for drinking water, river, lake, marine water, and industrial effluent. We take pride in having installed the first online monitoring system for the drinking water distribution network in the country for Air Selangor and online lake water quality monitoring system for Putrajaya Lake & Wetlands.

The core features of our water quality management system, including online monitoring instruments and network systems, directly translate into significant advantages for our clients and the environment:

1. **Efficient Resource Management and Pollution Prevention.** By providing real-time monitoring capabilities, our system enables efficient resource management and proactive pollution prevention. This helps reduce the carbon footprint associated with extensive remediation efforts, ultimately leading to a healthier environment and more sustainable water ecosystems.
2. **Preservation of Water Ecosystems.** Our built-in early warning system acts as a guardian for water ecosystems, ensuring that water quality is maintained at levels conducive to biodiversity and ecosystem health. By protecting healthy aquatic ecosystems, which serve as vital carbon sinks, our system indirectly contributes to carbon footprint reduction and climate change mitigation.
3. **Comprehensive Monitoring for Safe Water.** With over 100 units installed across various water bodies, including drinking water distribution networks and lakes, our system ensures comprehensive monitoring of crucial parameters such as pH, Dissolved Oxygen, Total Suspended Solids, Ammoniacal Nitrogen, and Temperature. This not only safeguards water quality but also supports sustainable social and economic growth by fostering a safe and healthy environment.

2024 Project: Preventive & Corrective Maintenance Services for Hybrid Distribution Water Quality Real-Time Analyser Stations in Selangor

This project focuses on delivering comprehensive technical support, including troubleshooting and on-site assistance for corrective maintenance, within 24 hours of a report being logged. By maintaining and ensuring the reliability of the Hybrid Distribution Water Quality Real-Time Analyser (HYDRA) stations, the project plays a vital role in safeguarding the quality and safety of treated water. It also supports Air Selangor by providing an early warning system and real-time data to monitor and address potential water quality issues proactively.

2024 Project :SCADA Maintenance Services for Monitoring Stations in Putrajaya Lake

This project encompasses inspection, cleaning, maintenance, replacement, calibration, sampling, and specialised work for on-site equipment and related IT systems. It also involves data collection and analysis, enabling the identification of potential water pollution sources. The information gathered supports informed decision-making to protect the environment and public health.

Through partnerships with organisations like Air Selangor and Putrajaya Corporation, we are at the forefront of driving positive environmental impact and promoting sustainable water management practices.

Biodiversity Management

Biodiversity is essential for sustainable development and human well-being. It underpins the provision of food, fibre and water; it mitigates and provides resilience to climate change; it supports human health, and provides jobs in agriculture, fisheries, forestry and many other sectors. We provide the first integrated biological monitoring provider for man-made wetlands and lakes in Malaysia since 2001, in Putrajaya.

Our offering extends to include lake and wetland biodiversity, ensuring the preservation of these vital ecosystems. By monitoring biodiversity indicators and environmental parameters, we contribute to the conservation of species diversity and the overall health of lake and wetland ecosystems. This not only enhances ecological resilience but also supports sustainable tourism and recreational activities, enriching the lives of local communities and visitors alike.

2024 Project: Putrajaya Lake and Wetland Biodiversity Monitoring

Putrajaya Wetland is the first man-made wetland in Malaysia and the largest constructed freshwater wetland in the humid tropics. The Putrajaya Lake and Wetland is well-designed to simulate a natural wetland condition, acting as the breeding and nursery grounds, as well as home to numerous plants, invertebrates (particularly insects), frogs, reptiles, fish, small mammals and birds.

Our team of experts has been working with Putrajaya Corporation on lake and wetland biodiversity monitoring to maintain ecological life support that supplies clean air, water, plants pollination, pest control and wastewater treatment in Putrajaya. Number of species found in Putrajaya Lake and Wetland as per table below:

Description	2022	2023	2024
Bird	72	74	76
Reptiles	6	7	9
Mammals	5	8	9
Amphibia	6	6	4
Insects	814	1158	1102

Environmental Laboratory

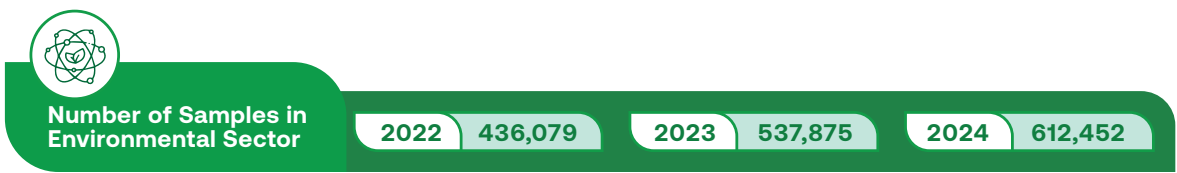
Our environmental laboratory provides full analytical testing services specialising in metals, volatile and semi-volatile organics, inorganics, nutrients and microbiological analysis in a wide range of sample matrices covering soil, surface water, wastewater, groundwater, drinking water, seawater, sediments, waste, air, and biota.

Our commitment to sustainability extends beyond regulatory compliance; it encompasses proactive measures to mitigate environmental impact and promote sustainable practices within industries. Through our chemical expert, we assist clients in identifying potential pollutants and contaminants, facilitating informed decision-making to minimise environmental degradation.

We provide accredited testing services according to the American Public health Association, United States Environmental Protection Agency (“USEPA”), American Society for Testing & Material, MS ISO/IEC 17025:2005 General Requirements for Competence of Testing and Calibration Laboratories and Japanese Industrial Standard as part of our global commitment in meeting industry requirements in both local as well as international arenas enabling stakeholders to make evidence-based assessments and enact effective environmental management strategies.

Moreover, our laboratory’s specialisation in various industries, including chemical, electronics, petroleum, mining, and agriculture, positions us to address a wide spectrum of environmental challenges. Whether it’s assessing soil and water quality, monitoring air pollutants, or evaluating waste management practices, we provide actionable insights to promote sustainable development and mitigate adverse environmental impacts.

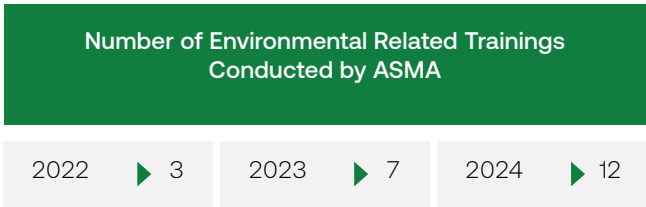
Furthermore, our emphasis on microbiological analysis underscores our commitment to public health and ecosystem resilience. By monitoring microbial communities in diverse environments, we contribute to the understanding of ecological dynamics and support initiatives aimed at biodiversity conservation and ecosystem restoration.



In essence, our environmental laboratory serves as a cornerstone of sustainability, facilitating informed decision-making, promoting responsible stewardship of natural resources, and fostering a healthier, more resilient planet for current and future generations.

Environmental Consultancy and Training

Creating a learning culture is one strategy to improve organisational performance and maintain long-term sustainable advantage. Organisational learning includes creating, retaining and transferring knowledge to benefit individuals, groups and organisations. To empower more environmental practitioners in the industry, ASMA conducted twelve environmental trainings in 2023:





Our comprehensive solutions and services in water treatment, domestic wastewater treatment and industrial wastewater treatment comprise consultation, designing, planning, project management, operations and maintenance for plants that have been contaminated by anthropogenic industrial, household sewage or commercial activities prior to their release into the environment or its recycling and reuse. This is in line with DOE requirements on Environmental Quality (Sewage) Regulations 2009, Environmental Quality (Industrial Effluent) Regulations 2009 and Environmental Quality (Prescribed Premises) (Crude Palm Oil) (Amendment) Regulations 1982.

Our Approach

Bi-Act Super Dissolved Oxygen (“Bi-Act SDO®”)

Sustainable domestic wastewater management refers to the process of treating and managing wastewater from households in a manner that minimises environmental impact, conserves water resources, and promotes long-term community health and resilience. Bi-Act SDO® is an award-winning and SPAN-approved hybrid wastewater technology promoted by ASMA since 2014. It is a simplified, modernised aerator for adding oxygen into bio-waste treatment which incorporates a combination of two (2) biological wastewater treatment processes; fixed film process and activated sludge process.

This innovative system epitomises our commitment to sustainable practices in wastewater treatment, revolutionising bio-waste treatment with its numerous benefits:

1. **Low Power Consumption.** With over 50% reduction in energy consumption, Bi-Act SDO® sets a new standard for energy-efficient wastewater treatment, significantly reducing our carbon footprint and promoting sustainable energy usage.
2. **Land Saving.** Through its streamlined design, Bi-Act SDO® saves over 50% in land area compared to conventional systems, optimising land usage and minimising environmental disruption.
3. **Low Sludge Yield.** With desludging required only once every 3-5 years, our system minimises waste generation and promotes resource efficiency, reducing operational costs and environmental impact.
4. **Excellent Effluent Quality.** Bi-Act SDO® consistently delivers high-quality effluent, meeting stringent regulatory standards and safeguarding environmental integrity.
5. **Zero or Low GHG Emission.** These hybrid processes require lower hydraulic retention time (HRT), between 7.5 to 8 hours compared to a conventional system that requires 18 to 24 hours. As a result, Bi-Act SDO requires a smaller tank volume and smaller footprint.
6. **Minimisation of Environmental Degradation.** By treating wastewater effectively and minimising pollution especially odour pollution, our system helps preserve ecosystems and protect human livelihood, fostering a healthier environment for all.

Sewage treatment plant (STP) at Tampoi

- The STP at Tampoi, designed for a capacity of 1,380 PE (Population Equivalent), aims to minimise environmental impact through an innovative approach that reduces its physical footprint, decreases sludge production, and lowers power consumption compared to conventional systems.

Bi-Act SDO® is a green technology that provides sustainable domestic wastewater solutions with significant values that help minimise the environmental impacts contributing to climate change.

Intelligent Aqua™ (“IA”)

Intelligent Aqua™, also known as IA, is a water treatment system that adopts a hybrid concept of combining special blended adsorption techniques and ion-exchange methods to treat and purify contaminated and polluted water into drinking water.

At its core, IA symbolises more than just a water treatment system—it signifies a departure from conventional practices towards a sustainable future. By sidestepping cumbersome processes like sedimentation, aeration, and coagulation/flocculation, IA reduces its environmental footprint, preserving ecosystems whilst meeting the dire need for clean water.

SPAN-approved efficient and cost-effective solution, IA is designed to remove a vast range of contaminants from wastewater, groundwater, and contaminated river. IA generates no scheduled waste, operates at low operational expenditures, and is equipped with an automated system for seamless functionality. This in turn provides cost saving for operators and stakeholders.

IA's compliance with regulatory standards ensures environmental responsibility and suitable for both water treatment plant ("WTP") and containerised water treatment system. With its big capacity, flexible design, and fully or semi-automated systems, IA can cater to both new projects and retrofitting existing water treatment infrastructure. IA's versatility and user-friendly design empower water operators to adapt to evolving needs, optimising resource allocation and operational efficiency.

Meanwhile for containerised water treatment system, IA can customised solutions and automation capabilities, enhances water management practices and ensuring the sustainable utilisation of precious resources. IA's containerised system, housed within a 20 ft module, features automated functionality and utilises gravity flow for streamlined operation. The containerised design makes IA particularly suitable for remote areas, where access to clean water is limited, addressing water scarcity challenges with efficiency.

Construction of Loji Rawatan Air Mini, Kelantan

- The mini water treatment plant at Jelawat, Kelantan, with a capacity of 4 MLD, began operations in February 2024, serving 16,000 residents. Built on a small footprint of less than 0.25 acres, the plant provides a lower carbon footprint. It effectively removes high levels of iron and manganese from raw tubewell water, ensuring compliance with the Ministry of Health's National Standard for Drinking Water Quality.

IA is a beacon of sustainability, offering innovative solutions to water treatment challenges empowering underserved communities and promoting equitable resource distribution.

MyHERO®

MyHERO® represents an innovative solution developed by ASMA to tackle any effluent-related to compliance issues, aid industries in recycling process plant water for industrial purposes and serve as a water treatment facility in meeting drinking water standards. MyHERO® has several designs to meet specific customer needs, determined by incoming water characteristics, desired water quality, and quantity requirements.

1. MyHERO® offers **retro-fitting capabilities, seamlessly integrating** into existing infrastructure, minimising the need for extensive renovations and reducing the carbon footprint associated with infrastructure development. In addition, the system is also able to extend the lifespan
 2. of industrial facilities and minimising waste generation, thereby promoting circular economy principles.
 3. MyHERO® employs modular systems, allowing for scalable deployment **tailored to specific customer needs and adaptable to varying water characteristics and quality requirements.** This will enable industries to adjust treatment capacities according to fluctuating demands, thus optimising resource utilisation and reducing excess capacity.
 4. MyHERO® utilizes dual processes, harnessing the synergy between different treatment methodologies to achieve **superior effluent quality** and compliance with regulatory standards, mitigating the risk of pollution and ensuring the sustainable utilization of water resources, thereby fostering long-term environmental sustainability.
- MyHERO® boasts a **smaller footprint**, optimising land use and reducing environmental impact whilst maintaining high treatment efficiency and capacity. By minimising land use, MyHERO® promotes sustainable development practices, preserving natural habitats and ecological balance, thereby supporting biodiversity conservation and ecosystem resilience.

With its advanced features, tangible advantages, and far-reaching benefits, MyHERO® paves the way towards a more sustainable future, where water resources are preserved, and environmental integrity is upheld for generations to come.

2024 Water & Wastewater Projects and Benefit (Others)

Project Name	Project Benefit
Upgrading of IWK STP at Kulim, Kedah	The upgraded STP Kulim, with a capacity of 3,200 PE, incorporates extended aeration technology to enhance operational efficiency and meet Department of Environment (DOE) requirements. The upgrade ensures improved water discharge, achieving Standard A compliance from Parameter 3 to Parameter 1, and extends the system's lifespan through the use of durable concrete structures, contributing to better environmental management.

OUR APPROACH

Integrated Pest Management

We have been providing pest control surveillance in Saudi Arabia since 2008 to the government sector. However, driven by the increasing demands in pest control and also part of our initiatives to widen the pest control services in Saudi Arabia, SAES manoeuvres the business by redefining its role, strengthening its customer focus and building integrated services to deliver integrated pest management solutions, covering from pest control, surveillance and pest lab, to both government and private sector whilst improving the quality of life and protecting the environment where we live, work and play. SAES strives to work closely with customers to become the partner of choice in providing solutions that best satisfy the customers' needs.

In 2024, SAES delivered Integrated Pest Management (IPM) services to various SELA sites in Riyadh and Jeddah. SELA, the largest event management company in Saudi Arabia, benefited from effective pest control solutions, ensuring a safe and hygienic environment for high-profile events. Additionally, SAES provided pest control and surveillance services in the 3rd extension area of Masjidil Haram, Makkah, enhancing cleanliness and safety in this sacred site visited by millions of pilgrims annually. These initiatives not only reflect SAES's commitment to environmental sustainability but also create a significant social impact by safeguarding public health and ensuring comfort in critical and high-traffic areas.

Food Safety

The main objective of food safety is to protect consumers of food products from foodborne diseases or injuries related to food consumption. We provide a range of food analyses, including nutritional labelling, microbiological, contamination testing, and emergency contaminant testing such as melamine, malachite green, Sudan red, nitrofurans and antibiotics.

ALS Malaysia, which is also JAKIM's lab panel provides a range of tests to assist in Halal verification. Our SAMM accredited methods will provide assurance for food consumption in line with "Halal" and "Toyyib". Halal (Arabic: halal, "permissible") refers to what is permissible or lawful in traditional Islamic law and it is frequently applied to permissible food and drinks. It is also associated with being wholesome, just and all things that are pure and good (Toyyib). Today, halal covers a wide range of products from foods to toiletries, personal care items, pharmaceuticals and health supplements. We take Halal & Halalan Toyyiban services as part of our commitment to protect Muslims' interests, especially in halal assurance on products they consume or used.

Pharmaceutical & Healthcare

ALS has the resources, facilities and capabilities to carry out testing and analysis of medical devices, pharmaceuticals, health care, Chinese proprietary medicine and cosmetic products. The laboratory staff are extensively trained and committed to providing professional testing services to clients. The testing methods are set up in accordance with United States Pharmacopeia and European/British Pharmacopeia standard testing methods. The laboratory setup and process flow also meet the regulatory requirement for a Good Manufacturing Practice quality control laboratory.

Industrial Hygiene

ALS offers a wide array of analytical testing services to support industrial hygiene testing services and to assist our clients in promoting human health. Our counterpart lab in the United States has been accredited by the American Industrial Hygiene Association since 1974 and served as the primary method development contract laboratory for the National Institute for Occupational Safety and Health for over 30 years. We provide accredited testing services on hazardous chemicals in the workplace following NIOSH, OSHA, and USEPA criteria in a wide range of sample matrices covering airborne contaminants (sorbent tubes, passive samplers, impinger solutions), swabs, surface wipes, bulk samples and biological fluids (blood and urine).

Agrochemicals

Following the acquisition of ALS PG by ALS Malaysia, the Group has expanded its lab testing offerings into agrochemical sector. The safety and sustainability of agrochemicals are important in promoting responsible agricultural practices and safeguarding both human health and the environment. Our laboratory adheres to rigorous testing protocols, ensuring that only approved and safe agrochemicals are utilised in agriculture, contributing to sustainable and responsible farming practices.

There has been a 4% increase in number of samples in Food Safety, Pharmaceutical and Healthcare samples in 2023 as compared to 2022. This can be attributed to an increase in awareness of public welfare and stringent regulations from authorities on food safety, pharmaceutical and healthcare industries.

Number of Samples in Food, Pharmaceutical and Healthcare

2022	369,466	2023	372,859	2024	344,454
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5.0 Stakeholder engagement

Stakeholder engagement is a crucial component in creating and maintaining a positive organisational environment. PICORP aims to actively build positive stakeholder relationships with both internal and external parties, ensuring a supportive environment that contributes to the betterment of our social responsibility, employee morale, and customer satisfaction.

INVESTORS AND SHAREHOLDERS ENGAGEMENT

Investors and shareholders play a major and vital role in the success and growth of PICORP. Hence, it is of the utmost importance for PICORP to maintain strong, transparent relationships with investors and shareholders.

Date	Programme	Venue	Company
13 June 2024	PICORP 32nd Annual General Meeting	Virtual	PICORP

PICORP 32nd Annual General Meeting



Date	2022	2023	2024
Number of Investors and Shareholders Engagement	1	2	1

EMPLOYEE ENGAGEMENT

PICORP views employee engagement as a strategic approach that can promote a positive work environment and culture. Employee engagement and sustainability are closely linked to one another as engaged employees are more likely to have a positive work-life balance, which can lead to improved physical and mental well-being. This, in turn, can reduce absenteeism and decrease turnover, leading to a more stable and motivated workforce. Strong focus on employee engagement can enhance PICORP reputation as a socially responsible and sustainable organisation.

In 2023, employee engagements were made ranging from internal communication engagement, motivational talks, and appreciation events to healthy lifestyle activities. These engagements encompass the three (3) dimensions of an employee engagement which are cognitive, emotional, and physical, that can help increase employees' satisfaction and improve organisational performance.

2024 Marketing and Sales Retreat



2024 Finance and Governance Conference



Monthly Zumba Session



2024 Human Capital and HSE Day



Date	Programme	Venue	Company
17 January 2024	PICORP Group Townhall	Mercu PICORP	All companies
20 February 2024	Lion Dance Event	Wisma ALS	ALS M
8 March 2024	Women International Day	Wisma ALS, Mercu PICORP	ALS M, ASMA
Jan-Feb 2024	Company Townhall	SAES Office, Mercu PICORP	SAES, ASMA
22 February 2024	Saudi Founding Day	SAES Office	SAES
25 February 2024	Sudanese Independence Day	SAES Office	SAES
14 March 2024	Ramadhan Iftar	Blue Ocean Rest. KSA	SAES
21 March 2024	Ramadhah Mekkah KPI Iftar	Millenium Hotel	SAES
15 – 16 August 2024	2024 Finance and Governance	Port Dickson	All companies

Date	Programme	Venue	Company
27 June 2023	2024 HSE & Human Capital Day	Mercu PICORP	All
1 July 2023	Hari Raya Aidilfitri Get Together ASMA Employees	ZT Warehouse	All

Date	2022	2023	2024
Number of Employee Engagement	18	21	12

ENVIRONMENTAL ENGAGEMENT

Environmental engagement is an important part of PICORP sustainability initiatives. By engaging in environmental programmes, we can help mitigate the negative impacts of climate change, preserve natural resources, and ensure a safe and healthy future for all. Our environmental engagement can help increase awareness of environmental issues; helping to create a culture of sustainability and promote the adoption of environmentally responsible behaviors. Moreover, it allows us to equip ourselves with the knowledge that will lead to better products and services that meet the needs and expectations of our customers and clients who value environmentally friendly practices.

In 2024, environmental engagements were made ranging from environmental trainings to industry practitioners, visit to sites related to environmental activities, and participation in seminars, symposium and exhibitions organised by authorities, regulators and government agencies.

Putrajaya Lake and Wetlands Sustainable Management Seminar



Water Malaysia 2024 Conference and Expo



Date	Programme	Venue	Company
28-29 February	Simposium 50 Tahun (Jubli Emas) Akta Kualiti Alam Sekeliling 1974: Cabaran Mendepani Isu Semasa Alam Sekitar	Sepang	ALS M
20 February 2024	Webinar Effluent DOE by Nazirah Ariffin, Laboratory Manager Environmental	Virtual	ALS
8 February 2024	Putrajaya Lake and Wetlands Sustainable Management Seminar	Putrajaya	ASMA
4-14 June 2024	Environmental Monitoring Training	Mercu PICORP, Putrajaya & Kelantan	ASMA
4-14 June 2024	Water Quality Training	Mercu PICORP & Putrajaya	ASMA
11 June 2024	Exhibition at Executive Talk Seminar: Enhancing Environmental Compliance for Greener Future	DOE Kedah	ALS M

Date	Programme	Venue	Company
30 July 2024	Mesuarat Kick-off Kontrak Perkhidmatan Pemantauan	Putrajaya	ASMA
27-28 Aug 2024	Focus Group Discussion: Verifikasi Data Bagi Penilaian Ekonomi Perkhidmatan Ekosistem Tasik & Wetland Putrajaya	Putrajaya	ALSM
26-27 Sept 2024	12th International Conference On Plant Protection In The Tropics 2024 Sesi Libat Urus Bersama Stakeholders by SATU	NIOSH , Bangi	ALSM
15 July 2024	1st National Seminar on Microplastics 2024	Olive Tree, Penang	ALSM
16 July 2024	Webinar: Clean air healthy living	PICC, Putrajaya	ALSM
17 July 2024	Water Malaysia 2024 Conference and Expo	Bangsar, KL	ALSM
17 August 2024	Seminar Pematuhan Kualiti Alam Sekeliling organised by DOE Selangor	IDCC, Selangor	ALSM
25 Oct 2024	9th Northern Region Occupational Health Seminar	Penang	ALSM
10 – 11 Dec 2024	ALS invited by MCPA as speaker in webinar.	Virtual	ALSM
23 Oct 2024	Exhibition In Seminar Akta Kualiti Alam Sekeliling 1974: Kelestarian Alam Teras Madani	The Magellan Sutera Resort, Sutera Harbour Kota Kinabalu	ALSM
15 – 16 Oct 2024	Borneo International Water & Waste-water Exhibition	Borneo Convention Centre Kuching	ALS M
18 Nov 2024	Exhibition In Seminar On Environmental Management & Sustainability: Making Peace With Nature	BAYVIEW HOTEL, LANGKAWI	ALS M
18 Nov 2024	Meeting with TusStar, China for collaboration and MoU	TusStar Brunfield	ALS M

Date	2022	2023	2024
Number of Environmental Engagement	21	18	19

COMMUNITY ENGAGEMENT

Giving back to the community can foster a sense of social responsibility within the Group. This is important as it enhances corporate reputation and improve employee satisfaction. This, in turn, can lead to increase of productivity and retention among employees. Our community engagements help us create positive impacts that benefit both the company and wider community.

In 2024, the Group conducted community engagements that mostly consist of spiritual engagement, religious celebration, and webinars that cover on environmental topics.

PICORP Raya Open House



ALS Stewardship Training on Pesticide Use to Farmers at Cameron Highland



Date	Programme	Venue	Company
18 February 2024	Sustainability Collaboration	Malaysia	ALS M
6 February 2024	Bioeconomy Corporation Malaysia Sharing session	Subang Jaya	ALS M
5 March 2024	Session with Dept Standard Malaysia	DSM, Cyberjaya	ALS M
25 March 2024	Canadian Trade Mission to Malaysia	Kuala Lumpur	ALS M
5 March 2024	Organising Committee of First National Seminar on Microplastics	Shah Alam	ALS M
21 June 2024	2024 Global Qurban	ZT Warehouse	All companies
10 May 2024	2024 Group Open House	KT Ballroom	All Companies
11 Sept 2024	Sesi Konsultansi Draf MS Berkenaan Halal 2024 by DOSM	Sama-Sama Hotel	ALSM
5 Dec 2024	Engagement session between ALS and Malaysia Pesticide Board	Malaysia	ALS M
20 Dec 2024	Stewardship training on pesticide use to farmers	Cameron Highland	ALS M

Date	2022	2023	2024
Number of Community Engagement	5	7	10



6.0 Sustainability performance data table

As a Listed Issuer, PICORP is obligated to provide mandatory ESG disclosures in accordance with the Main Market Listing Requirements, aligning with the enhanced Sustainability Reporting Guide 3rd Edition. The subsequent performance data table, sourced from the ESG Reporting Platform, encapsulates indicators pertinent to our Material Matters.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti Corruption)				
Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category.				
General Manager & Above	Percentage	100	100	100
Manager	Percentage	100	100	100
Executive & Below	Percentage	100	100	100
Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1 (c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	91	89	84
Bursa C4(a) Total energy consumption				
Bursa C4(a) Total energy consumption	MWh	3,182.00	3,246.00	3,215.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	434	440
Bursa (Labor practices & practices)				
"Bursa C6(a) Total hours of training by employee category"				
General Manager & Above	Hours	-	822.5	1677
Manager	Hours	-	2,565	3629
Executive & Below	Hours	-	33,237	22,270
Bursa C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	-	26.7	42
Bursa C6 (c) Total number of employee turnover by employee category				
General Manager & Above	Number	-	2	0
Manager	Number	-	12	8
Executive & Below	Number	-	67	85
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	19.19	17.56	16.24

“Bursa (Diversity)”				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category				
Age Group by Employee Category				
General Manager & Above Baby Boomers (1946-1964)	Percentage	-	0.4	0.5
General Manager & Above Gen X (1965-1980)	Percentage	-	0.9	1.1
General Manager & Above Gen Y / Millennials (1981-1996)	Percentage	-	0.2	0.2
General Manager & Above Gen Z (1997-2012)	Percentage	-	0	0
Manager Baby Boomers (1946-1964)	Percentage	-	0.2	0.2
Manager Gen X (1965-1980)	Percentage	-	3.6	3.6
Manager Gen Y / Millennials (1981-1996)	Percentage	-	3.8	3.2
Manager Gen Z (1997-2012)	Percentage	-	0	0
Executive & Below Baby Boomers (1946-1964)	Percentage	-	0.4	0
Executive & Below Gen X (1965-1980)	Percentage	-	12.2	10.2
Executive & Below Gen Y / Millennials (1981-1996)	Percentage	-	55.6	53.8
Executive & Below Gen Z (1997-2012)	Percentage	-	22.8	27.3
Gender Group by Employee Category				
General Manager & Above (Male)	Percentage	-	0.9	1
General Manager & Above (Female)	Percentage	-	0.7	1
Manager (Male)	Percentage	-	4.5	4
Manager (Female)	Percentage	-	3.2	3
Executive and Below (Male)	Percentage	-	57	57
Executive and Below (Female)	Percentage	-	33.6	34
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	71.4	67.7	75
Female	Percentage	28.6	33.3	25
Baby Boomers (1946 - 1964)	Percentage	85.7	83.3	75
Gen X (1965 - 1980)	Percentage	14.2	16.7	25
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	638,732	659,659	524,783
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4.00	5.00	3.00

Note:

1. The performance data table above is generated from the standard template of Bursa's ESG reporting platform and only discloses the compulsory Listing Requirements common indicators.
2. Indicators labeled “-” signifies that the information is not available due to first time reporting, in accordance with Bursa MMLR
3. As PICORP strives to improve the inclusiveness of its disclosure, data boundaries for the above table is as follows:
 - a. Data is representing PICORP, ASMA, ALS Malaysia only: Indicator C9(a)
 - b. Data is representing PICORP, ASMA, ALS M, ALS I only: Indicator C4(a)
 - c. Data is representing PICORP, ASMA, ALS M, ALS I only: Indicators C6(a) & C6(c)



05

Accountability

CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Board of Directors (“the Board”) of Progressive Impact Corporation Berhad (“PICORP” or “the Company”) is pleased to present this statement to provide shareholders and investors with an overview of the Corporate Governance (“CG”) practices of the Company under the leadership of the Board during the financial year ended 31 December 2024 (“FY2024”). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance (“MCCG”).

This statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) with guidance drawn from Practice Note 9 of the MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities.

This overview statement is to be read together with other statements in this Annual Report, namely the Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Report as well as the CG Report 2024 (“CG Report”) which is available on the Company’s corporate website at www.picorp.com.my.

The Board considers that the Company has complied with the Practices of MCCG in all material aspects with the exception of the following Practices:

- Practice 5.9 (The board comprises at least 30% women directors).
- Practice 8.2 (The board discloses on a named basis the top five (5) senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000).

The explanation for the departures is disclosed in the CG Report.

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■ PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board is responsible for the CG practices of the Group. Being at the helm of the Group, the Board governs the Group’s affairs on behalf of the shareholders and retains full and effective control over the Group. The Board determines the Group’s strategic objectives and policies, and ensures effective leadership through Management oversight and robust monitoring of the activities and performance of the Group.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established the following Board Committees with delegation of specific responsibility areas:

- Audit Committee (“AC”);
- Nomination and Remuneration Committee (“NRC”); and
- Board Risk Management and Sustainability Committee (“BRMSC”).

The Board retains collective oversight over the Board Committees. The Board Committees have been constituted with clear Terms of Reference (“TOR”) and are actively engaged in ensuring that the Group is in adherence to good CG practices.

In fostering a strong CG culture within the Group, the Board has always strived for the highest standard of CG practices and adopted the same as a “way of life” in every aspect of the organisation. The Chairman leads the Board by setting the tone at the top and managing the Board effectiveness by focusing on strategy, governance and compliance.

The Board and Board Committees have a Board Charter and respective TORs, which are available on the Company’s website. The Board Charter sets out the Group’s principles, structure and authority of the Board. It serves as a comprehensive guide for Directors on matters concerning the Board and its processes.

The Group has adopted the Anti-Bribery & Corruption Policy and No Gift Policy in line with the Board’s commitment to promote ethical business conduct. The policies are available on the Company’s corporate website at www.picorp.com.my.

The Company has adopted a Whistleblowing Policy to allow employees and stakeholders to report legitimate concerns about malpractices, unethical behaviour, misconduct or failure to comply with regulatory obligations without fear of reprisal. Whistleblowing reports can be addressed directly to the Chairman of the Board or Chairman of the AC via their mobile numbers and email addresses, which can be found in the Whistleblowing Policy. Staff have been notified via email that any information received, including the identity of the individual who discloses such information shall be provided with the legal protection accorded under the Whistleblower Protection Act 2010 (ACT 711). All reports and information received shall be investigated and acted upon accordingly.

The Code of Conduct was established to emphasise on ethical conduct in all aspects of the Group's activities, including conflict of interests and privacy and confidentiality of information. It also sets out prohibited activities or misconducts, such as bribery and illegal or unethical trading practices, acceptance of entertainment and gifts, misuse of position, etc. The Code of Conduct applies to all employees within the Group. The employees are expected to safeguard the integrity, reputation and performance of the Group by behaving ethically and professionally at all times.

The No Conflict of Interest Policy which was adopted and approved by the Board in November 2023 aims to provide guidance in managing situations involving conflict of interest. The declaration on the No Conflict of Interest applies to the Board and all employees within the Group. The AC will address any conflict of interest involving a Director of the Group, requiring the affected Director to disclose the nature and extent of the conflict, including any competing business interests against the Group. The Declaration of Conflict of Interest by Directors was last reviewed and presented to the Board of Directors at its meeting held on 25 February 2025.

The Human Rights Policy, which was adopted and approved by the Board on 25 February 2025, serves as a guiding framework to ensure fair and ethical treatment of all individuals, promoting inclusivity, equality, and non-discrimination within the organisation. It applies to the Board, employees, and stakeholders across the Group, including business associates, clients, and external providers involved in any work conducted with or on behalf of the PICORP Group. In implementing its action plan towards complying with the Environmental, Social and Governance ("ESG") initiatives, PICORP Group is committed in ensuring the protection of human rights in all of its dealings, guided by the United Nation's Universal Declaration of Human Rights to the extent that it complies with the Malaysian laws.

Further details pertaining to the Board Charter, TORs of the Board Committees, Whistleblowing Policy, Code of Conduct, Anti-Bribery & Anti-Corruption Policy, No Gift Policy, No Conflict of Interest Policy, and Human Rights Policy are available on the Company's corporate website at www.picorp.com.my.

The Directors allocate ample time to effectively discharge their responsibilities and attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. Throughout the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget and financial results. The attendance of individual Directors at Board and Board Committee meetings during FY2024 are summarised below:-

BOARD MEETING	DATE
01/2024	28 February 2024
02/2024	27 March 2024
03/2024	27 May 2024
04/2024	26 August 2024
05/2024	25 November 2024
06/2024	10 December 2024



DIRECTORS	NUMBER OF MEETINGS ATTENDED					
	Board	AC	NC ***	RC ***	BRMSC	NRC
Chairman / Independent Non-Executive Director						
Datuk Syed Hisham bin Syed Wazir	6/6	N/A	N/A	N/A	N/A	N/A
Executive Directors						
Zaid bin Abdullah	6/6	N/A	N/A	N/A	N/A	N/A
Dato' Dr Lukman bin Ibrahim	6/6	N/A	N/A	N/A	4/4	N/A
Non-Independent Non-Executive Directors						
Zaidah binti Mohd Salleh	6/6	5/5	2/2	2/2	N/A	1/1
Dato' Hajjah Rosnani binti Ibarahim **	6/6	3/3 **	2/2 **	2/2 **	4/4	N/A
Independent Non-Executive Directors						
Kamarul Baharin bin Albakri	6/6	5/5	2/2	2/2	3/3	1/1
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor * (appointed on 1 July 2024)	3/3	2/2	N/A	N/A	N/A	1/1
Dato' Seri Rosman bin Mohamed * (appointed on 26 August 2024)	2/2	1/1	N/A	N/A	1/1	N/A

* Reflects the number of meetings held during FY2024 after appointment as Director.

** Reflects the number of meetings held during FY2024 before re-designation as Non-Independent Director.

*** The NC and RC were integrated and renamed as NRC on 1 July 2024.

In performing their duties, the Board members have full access to the Company Secretaries, who are qualified to act under the Companies Act 2016 and provide advisory to the Board, particularly on CG issues and compliance with the relevant policies and procedures, laws and regulatory requirements in addition to the administrative matters.

2. Board Composition

The Board recognises that diversity brings a wide range of perspectives and diverse set of competencies, experience and knowledge that enable the Group to keep pace with the changing dynamics of the business environment and retain its competitive advantage.

The Board is currently made up of eight (8) members comprising one (1) Independent Non-Executive Chairman, one (1) Executive Deputy Chairman, one (1) Group Executive Director, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors.

Appointments to the Board are made through the NRC via a formal, thorough and transparent process, taking into account objective criteria such as qualifications, skills, experience, professionalism, integrity and diversity needed on the Board in the context of the Group's strategic direction.

During the FY2024, the NRC consists of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, and the composition of the NRC is as follows:-

- (a) Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor (Independent Non-Executive Director) – Chairman
- (b) Kamarul Baharin bin Albakri (Independent Non-Executive Director)
- (c) Zaidah binti Mohd Salleh (Non-Independent Non-Executive Director)

All NRC members had full attendance of the NRC meetings held in FY2024.

In accordance with the Constitution of the Company, all Directors who are appointed by the Board may only hold office until the next following Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that AGM. The Constitution provides that at least one-third of the Board shall retire from office at least once in every three (3) years.

Pursuant to the Board Charter, an Independent Director who has served for a cumulative term exceeding nine (9) years may continue to serve on the Board, subject to re-designation as a Non-Independent Director. The Board shall justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years through a two-tier voting process – Tier 1: large shareholders and, Tier 2: other shareholders.

The Board, through the NRC, conducts an annual review of its size and composition to determine if the Board has the right size and composition to support the Company's objectives and core values. Based on the assessment conducted on 25 February 2025, the Board was of the view that the Company has a well-balanced Board with good representation of female directors and members possessing diverse skill sets and core competencies. The Board was also satisfied that there was a mutual respect amongst Directors, which contributed to effective and robust decision-making process.

The Board, through the NRC, also assesses the independence of the Independent Directors annually. Based on the annual assessment carried out on 25 February 2025, the Board was satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company during deliberations at the Board and Board Committee meetings.

Some activities carried out by the NRC in discharging its duties in FY2024 are as below:

- Carried out the annual assessment on the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director and reported to the Board. The assessment considered the contribution and performance of Directors on their competency, time commitment, integrity and experience in meeting the needs of the Group. The evaluation process involved a peer and self-review assessment;
- Assessed the independence of the Independent Non-Executive Directors and reported the same to the Board;
- Reviewed and made recommendations to the Board on the re-election of Directors based on the assessments conducted;
- Assessed the character, experience, integrity and competence of the Group Chief Financial Officer and her time in discharging her roles;
- Evaluated the qualifications, experience, track record, and professionalism of Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor and Dato' Seri Rosman bin Mohamed for appointment as Independent Non-Executive Directors;
- Reviewed and recommended the appointment of Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor as the new Chairman of the NRC and member of the AC to the Board for approval;
- Reviewed and recommended the appointment of Dato' Seri Rosman bin Mohamed as a new member of the BRMSC and AC to the Board for approval; and
- Reviewed and recommended the redesignation of Dato' Hajjah Rosnani binti Ibarahim as Non-Independent Non-Executive Director to the Board for approval.

Based on the Directors' Fit and Proper Policy, the NRC would assess any appointment of new Directors as well as Directors who are seeking for re-election of the Company and its subsidiaries, taking into account the following fit and proper criteria and declarations made by each individual candidate or Director:-

- Character and integrity, which would be assessed on probity, personally integrity, financial integrity, and reputation;
- Experience and competence, which would be assessed on qualifications, training and skills, relevant experience and expertise, and relevant past performance or track record; and
- Time commitment, which would be assessed on ability to discharge role having record to other commitments, as well as participation and contribution in the board or track record (applicable to re-election of existing Directors only).

The Board and individual Directors are assessed annually by the NRC via a Board Effectiveness Evaluation ("BEE") exercise. During the financial year, the NRC had conducted the BEE exercise internally and facilitated by the Company Secretary. Directors are assessed based on the following:-

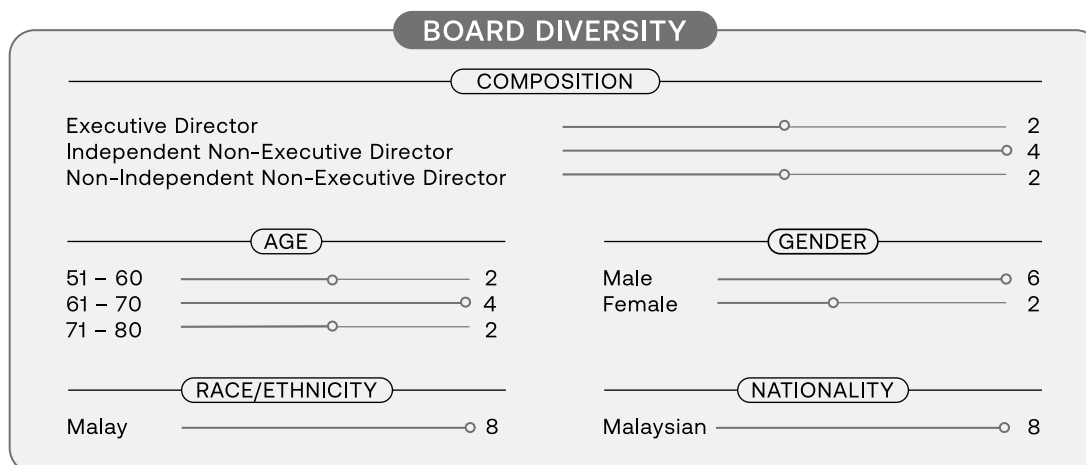
- Director's Evaluation Form (self and peer assessment);
Board Evaluation Form;
- Board Committee's Assessment Form;
- AC Evaluation Form (self and peer assessment);
- Mix of skills and experience of the Board; and
- Declaration of Independence.

The process of the BEE exercise is summarised as follows:-

1. The Company Secretary circulates questionnaires for each Director's completion.
2. Upon receiving the completed questionnaires, the responses are compiled and summarised for the NRC.
3. The NRC reviews and assesses the results of the BEE exercise and the Chairman of the NRC reports the NRC's views and recommendations to the Board for consideration and approval.

The Company is committed to positive promotion of equality, diversity, and inclusion within its workforce throughout the Group. The Company is an equal opportunity employer and does not practise discrimination of any form, regardless age, gender, race, or religion, throughout the organisation. The Board has also established the Boardroom Diversity Policy which can be viewed on the Company's corporate website. As at 31 December 2024, the Board comprises two (2) female Directors and one (1) female alternate Director.

Composition of the Board diversity during FY2024 is as follows:-



The Board, together with the Management, attended applicable trainings to keep abreast with general economic, statutory requirements, industry and technical developments. Throughout the year, all members of the Board have attended various training programmes as summarised below:

Name	Name of Course/ Seminar/Talk	Details
Datuk Syed Hisham bin Syed Wazir	Navigating Climate Change and Opportunities (Climate Governance Malaysia)	Date: 11 March 2024 Organiser: Climate Governance Malaysia ("CGM")
	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 29 – 30 May 2024 Organiser: Institute of Corporate Directors Malaysia ("ICDM")
	ICDM BARMC Dialogue & Networking Session: Board's Role in Whistleblowing Oversight	Date: 24 October 2024 Organiser: ICDM
Zaid bin Abdullah	2024 Marketing & Sales Retreat: Riding the Waves of Adversity with Tech-Enabled Resilience	Date: 4-5 March 2024 Organiser: Zaiyadal Group of Companies
	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 9-10 September 2024 Organiser: ICDM

Name	Name of Course/ Seminar/Talk	Details
Zaidah binti Mohd Salleh	2024 Marketing & Sales Retreat: Riding the Waves of Adversity with Tech-Enabled Resilience	Date: 4-5 March 2024 Organiser: Zaiyadal Group of Companies
	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 9-10 September 2024 Organiser: ICDM
	Webinar Series: Rights of Members	Date: 4 October 2024 Organiser: Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")
	Secretarial Practice Workshop Series - Power, Duties & Responsibilities of Directors & Conflicts of Interest Situations	Date: 28 October 2024 Organiser: MAICSA
	Webinar Series: Sustainability – Related Risks & opportunities – Implications of regulatory changes, including proposed changes to listed issuers on sustainability governance, management and reporting	Date: 14 November 2024 Organiser: MAICSA
	Webinar Series: Current Issues in Risk Management	Date: 20 November 2024 Organiser: MAICSA
	Webinar Series: Governance in Public Sector	Date: 29 November 2024 Organiser: MAICSA
	Webinar Series: Fundamental of Board Governance	Date: 18 December 2024 Organiser: MAICSA
Dato' Hajjah Rosnani binti Ibarahim	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 9-10 September 2024 Organiser: ICDM
Dato' Dr Lukman bin Ibrahim	Mastering Self-Leadership and Motivation in the Workplace	Date: 22 February 2024 Organiser: ACC
	2024 Marketing & Sales Retreat: Riding the Waves of Adversity with Tech-Enabled Resilience	Date: 4-5 March 2024 Organiser: Zaiyadal Group of Companies
	Finance & Governance Conference 2024: Future Fit Profession: Delivering Outcomes	Date: 15-16 August 2024 Organiser: Zaiyadal Group of Companies
	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 30-31 July 2024 Organiser: ICDM

Name	Name of Course/ Seminar/Talk	Details
Kamarul Baharin bin Albakri	ICDM PowerTalk - Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI	Date: 11 March 2025 Organiser: ICDM
	Are You Measuring Your Sustainability Performance Right: Targets & Metrics?	Date: 30 April 2024 Organiser: ICDM
	Being Sued as an INED – A Personal Journey	Date: 10 May 2024 Organiser: ICDM
	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 30-31 July 2024 Organiser: ICDM
	ICDM BRMC Dialogue & Networking: Insights Across Borders: Thriving in the Bermuda Triangle of Technology, Risk and Talent	Date: 1 August 2024 Organiser: ICDM
	Bursa Malaysia's Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing	Date: 24 September 2024 Organiser: ICDM
	Innovation Day Kuala Lumpur: Intelligent Infrastructure for a Sustainable Malaysia	Date: 8 October 2024 Organiser: Schneider Electric Industries (Malaysia) Sdn Bhd
Usamah bin Zaid (Alternate Director)	The Consolidation of ESG Standards: Streamlining Sustainability Reporting and Planning	Date: 22 October 2024 Organiser: Malaysia Institute of Accountants ("MIA")
	2024 Marketing & Sales Retreat: Riding the Waves of Adversity with Tech-Enabled Resilience	Date: 4-5 March 2024 Organiser: Zaiyadal Group of Companies
Fatimah Zahrah binti Zaid (Alternate Director)	Sustainability Reporting Forum - The Next Wave in Corporate Disclosure	Date: 23 January 2024 Organiser: MIA
	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 21-22 October 2024 Organiser: ICDM

3. Remuneration

The Company aims to set remuneration at levels which are sufficient to attract and retain high-caliber Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factors, particularly with the vast expansion of international business in Saudi Arabia and Indonesia.

The NRC implements policies and procedures on remuneration, including reviewing and recommending matters relating to the remuneration of the Board and Senior Management. The TOR of the NRC and Remuneration Policy are available on the Company's corporate website.

Detailed disclosures on the remuneration of individual Directors for FY2024 are as below:-

Company Level

Director	Fee (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits -in-kind (RM'000)	Other Emoluments (RM'000)	TOTAL (RM'000)
Chairman / Independent Non-Executive Director							
Datuk Syed Hisham bin Syed Wazir	42	20	N/A	N/A	N/A	N/A	62
Executive Directors							
Zaid bin Abdullah	N/A	N/A	954	80	76	354	1,464
Dato' Dr Lukman bin Ibrahim*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Independent Non-Executive Directors							
Zaidah binti Mohd Salleh	36	54	N/A	N/A	N/A	N/A	90
Dato' Hajjah Rosnani binti Ibarahim (re-designated on 13 May 2024)	30	56	N/A	N/A	N/A	N/A	86
Independent Non-Executive Directors							
Kamarul Baharin bin Albakri	30	62	N/A	N/A	N/A	N/A	92
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor (appointed on 1 July 2024)	15	20	N/A	N/A	N/A	N/A	35
Dato' Seri Rosman bin Mohamed (appointed on 26 August 2024)	10	14	N/A	N/A	N/A	N/A	24

Group Level

Director	Fee (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits -in-kind (RM'000)	Other Emoluments (RM'000)	TOTAL (RM'000)
Chairman / Independent Non-Executive Director							
Datuk Syed Hisham bin Syed Wazir	42	20	N/A	N/A	N/A	N/A	62
Executive Directors							
Zaid bin Abdullah	18	N/A	954	80	76	354	1,482
Dato' Dr Lukman bin Ibrahim*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Independent Non-Executive Directors							
Zaidah binti Mohd Salleh	71	54	N/A	N/A	N/A	N/A	125
Dato' Hajjah Rosnani binti Ibarahim (re-designated on 13 May 2024)	44	56	N/A	N/A	N/A	N/A	100
Independent Non-Executive Directors							
Kamarul Baharin bin Albakri	30	62	N/A	N/A	N/A	N/A	92
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor (appointed on 1 July 2024)	15	20	N/A	N/A	N/A	N/A	35
Dato' Seri Rosman bin Mohamed (appointed on 26 August 2024)	10	14	N/A	N/A	N/A	N/A	24

* The Group Executive Director (chief executive), Dato' Dr Lukman bin Ibrahim is not remunerated by way of salary. For his role and responsibilities, the Company pays a consultancy and management fee to a private company owned by Dato' Dr Lukman bin Ibrahim. For FY2024, the Company paid RM585,922.00 to the private company. The Company regards this as a recurrent related party transaction.

To avoid any potential controversy within the Company while maintaining harmony amongst Management and employees, and respecting the Senior Management's privacy and confidentiality, the Board had decided not to disclose the detailed remuneration packages of the Senior Management on named basis, as required under Practice 8.2 of the MCCG. The Board will take steps to ensure that the remuneration of Senior Management commensurate with their individual performance, taking into consideration the Company's performance, and that the remuneration is in line with the industry standards in order to retain and motivate the personnel.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AC

The AC comprises three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Two (2) of the AC members are members of MIA. The NRC reviewed the composition of AC on an annual basis. Members of AC shall be financially literate, possess the appropriate level of expertise, and experience and have a strong understanding of the Group's business in order to maintain an independent and effective AC.

The AC undertakes an annual assessment of the suitability and independence of the External Auditors. On 18 February 2025, the AC carried out the annual exercise, taking into consideration some of the criteria listed below:-

- (a) Calibre of the external audit firm;
- (b) Quality processes and performance;
- (c) The audit team;
- (d) Independence (both in fact and appearance) and objectivity;
- (e) Audit scope and planning;
- (f) Audit fees; and
- (g) Audit communications.

The AC was satisfied with the assessment results and recommended the Board to table the re-appointment of Messrs Grant Thornton Malaysia PLT as the External Auditors of the Company at the forthcoming 33rd AGM for shareholders' approval.

The details of the AC and its activities are set out in the AC Report of this Annual Report.

2. Risk Management and Internal Control Framework

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its value-creation targets by providing risk information that enables better formulation of the Group's strategies and decision-making.

The Board fulfils its responsibilities in the risk governance and oversight functions through its BRMSC in order to manage the overall risk exposure to the Group. Whilst BRMSC assessed and monitored the efficacy of the risk management activities and controls, the adequacy and effectiveness of the internal controls were reviewed by the AC in relation to the internal audit function for the Group.

The Group has established policies and framework for the oversight and management of material business risks. The BRMSC, through the Corporate Risk Management Committee (a management-level committee), maintains extensive risk registers which are reviewed and updated on quarterly basis. Meetings of BRMSC are scheduled ahead of Board meetings to ensure that the key focus areas of risks are promptly reported and deliberated at the Board meetings.

The Board is of the view that the system of internal control and risk management in place during the year under review, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders. Further information on the Group's risk management and internal control framework is made available on the Statement on Risk Management and Internal Control of this Annual Report.




■ PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Group ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure.


The Group has also engaged an external consultant to manage the Investor Relation section in the Group's corporate website to ensure immediate broadcast of the Group's material information which include Annual Report, unaudited quarterly results, announcement to Bursa Securities, stock information, policies and statements, etc.


The following digital marketing fan pages were created to share information on the Group's activities, product knowledge, etc. and serve as alternative channels to reach out to a broader spectrum of the public, shareholders and interested parties:



Progressive Impact Corporation Berhad

Follow Us :

 www.picorp.com.my

 (+603) 7845 6566

2. Conduct of General Meetings

The Group is of the view that AGM is the principal forum of dialogue with the shareholders and also an avenue for the Chairman and Board members to respond personally to all queries and provide sufficient clarification on issues and concerns raised by the shareholders. Shareholders are encouraged to attend, speak and vote (“participate”) at the Company’s general meetings. In compliance with the MMLR, the Company will hold a poll voting at all general meetings.

PICORP is devoted to ensuring the well-being of its shareholders, employees, and Directors as a responsible corporate citizen. PICORP’s 32nd AGM was held on 13 June 2024, and was conducted through live streaming from the broadcast venue. At the 32nd AGM, all Directors were present to engage directly with the shareholders and be accountable for their stewardship of the Company.



The 32nd AGM was held in compliance with the Companies Act 2016, the Company’s Constitution and the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. Shareholders and proxies participated at the 32nd AGM remotely using the Remote Participation and Electronic Voting services without the need to be physically present at the meeting venue.

Shareholders were invited to submit questions for the Board ahead of the meeting. Shareholders were also given the option of voting in absentia by appointing the Chairman of the meeting as their proxy to attend and vote on their behalf.

The 33rd AGM of the Company will be will be conducted physically.

Corporate Governance Focus Areas in FY2024

The corporate governance focus areas of the Group in 2024 constituted the following activities:-

 Key Focus Areas for FY2024	 Action Plan
Succession Planning for Board Members and Senior Management	<p>Various changes in boardroom took place in the year 2024 , as summarised below:-</p> <ul style="list-style-type: none">a) Dato’ Hajjah Rosnani binti Ibarahim was re-designated to Non-Independent Non-Executive Director of the Company and resigned as Chairperson of AC and members of RC and NC on 13 May 2024.b) Encik Kamarul Baharin bin Albakri was re-designated as the Chairman of the AC on 13 May 2024.c) Professor Dato’ Ir. Dr. Mohd Hamdi bin Abd Shukor was appointed as the Chairman of the NRC and a member of AC on 1 July 2024.d) Dato’ Seri Rosman bin Mohamed was appointed as a member of the BRMSC and AC on 26 August 2024.
Business Continuity	<p>The Board is involved in integrating business continuity management and operational resilience into the Group’s business and risk strategies, and setting the tone at the top. In addressing the financial position and performance, the Group has established a 3-year turnaround plan – Road to Profitability in order to map out the return to profitability and growth strategies.</p> <p>Overall, the Group’s financial position has improved significantly in FY2024, mainly resulted by the improved business operations. To build on this momentum, several revenue growth strategies were implemented, including the promotion of the newly launched water treatment solutions and agrochemical lab services. Additionally, the Group has been focusing on cost optimisation and margin improvement initiatives.</p>



Key Focus Areas for FY2024

Economic, Environmental, Social and Governance (“EESG”) for Sustainability



Action Plan

PICORP’s sustainability considerations and efforts are centred around four (4) key sustainability pillars of EESG – economy, environment, social and governance, which are linked to value creations, demonstrated further into sustainable system and infrastructure, sustainable processes, sustainable products and services, engagement with key stakeholders – employee, environment and community. PICORP Sustainability Framework is embedded into the Group’s Business Plan, strategies and key performance indicators.

Further to the Board Risk Management Committee assuming the additional role of overseeing EESG practices within the PICORP Group, its name was changed to Board Risk Management and Sustainability Committee (“BRMSC”) on 26 August 2024 to reflect the growing importance of Sustainability as a key focus moving forward.

The sustainability reporting on EESG practices has been regularly addressed in BRMSC meetings throughout the FY2024.

In waste management, the Group focused on waste reduction, reuse, and recycling initiatives, and is now planning a strategy to address landfill-bound waste to better align with sustainability goals.

Boardroom Policies and Procedures

On 25 February 2025, the Board adopted the Human Rights Policy, which serves as a guiding framework to uphold the fair and ethical treatment of all individuals, promoting inclusivity, equality, and non-discrimination within the organisation. The policy applies to the Board, employees and stakeholders across the Group, including business associates, clients, and external providers involved in any work conducted with or on behalf of the PICORP Group.

In alignment with its commitment to EESG initiatives, PICORP Group is committed in ensuring the protection of human rights in all of its dealings, guided by the United Nation’s Universal Declaration of Human Rights to the extent that it complies with the Malaysian laws.

Corporate Governance Priorities 2025 and Beyond

For 2025 and beyond, the corporate governance priorities of the Group shall constitute the following:

 Key Focus Areas for FY2025	 Action Plans
<p>Succession Planning for Board Members and Senior Management</p>	<p>PICORP continuously develops and strengthens its talent pool with the current-competent and future-ready workforce, via competency model which helps to communicate culture and values as well as to better explain the expectations that the leadership entails.</p> <p>The Board would also assure continuous engagement with management on succession planning for Board members and senior management.</p>
<p>Business Continuity</p>	<p>The Board will continue to keep itself apprised of the ever-changing environment whilst maintaining full and effective control over strategic, financial, operational, compliance and governance matters.</p> <p>The Group will continue to further improve its position by implementing revenue growth strategies such as promoting our newly launched water treatment solutions, newly acquired agrochemical lab services, cost optimisation vis-a-vis margin improvement.</p>
<p>EESG for Sustainability</p>	<p>The Board will continue to focus on integrating four (4) key sustainability pillars of EESG by increasing our effort in identifying and addressing environmental, social and governance risks, setting clear and measurable targets to reduce impact, promoting diversity and inclusion in our workforce, and engaging with stakeholders to ensure transparency and accountability. Through these concerted efforts, we aim to strengthen our reputation as a responsible and sustainable corporate citizen.</p> <p>PICORP Group empowers its clients to achieve their sustainability goals through solutions such as environmental monitoring, laboratory testing services, water treatment solutions, environmental digitalisation, and training. This dual approach enhances environmental stewardship and reinforces PICORP Group's role as a trusted partner for businesses striving to align operations with sustainability and regulatory compliance.</p>
<p>Boardroom Policies and Procedures</p>	<ol style="list-style-type: none"> The Board shall endeavour to continue the review of policy documents of PICORP periodically to ensure the policies remain relevant and updated. The Board acknowledges the importance and value of attending training programs to keep abreast of the latest developments in various areas. Through the Board Skills Matrix Form completed by the Directors during the annual assessment, their training needs can be identified and appropriate training solutions can be developed to ensure that all Directors are well equipped with current knowledge and skills to strengthen their ability to discharge their fiduciary duties.

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

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) was established by the Board of Directors with the primary objective to assist the Board of Directors in fulfilling its fiduciary responsibilities to corporate governance, system of internal controls and financial reporting practices of the Group, in accordance with the AC’s Terms of Reference (“TOR”).

The TOR of the AC which was last updated on 27 November 2023, is available on the Company’s website, www.picorp.com.my.

Composition of AC

The composition of the AC as at 31 December 2024 are as follows:

AC Members	Designation
Dato’ Hajjah Rosnani binti Ibarahim	Chairperson, Independent Non-Executive Director (Resigned on 13 May 2024)
Kamarul Baharin bin Albakri *	Chairman, Independent Non-Executive Director (Appointed as Chairman of AC on 13 May 2024)
Zaidah binti Mohd Salleh *	Member, Non-Independent Non-Executive Director
Professor Dato’ Ir. Dr. Mohd Hamdi bin Abd Shukor	Member, Independent Non-Executive Director (Appointed on 1 July 2024)
Dato’ Seri Rosman bin Mohamed	Member, Independent Non-Executive Director (Appointed on 26 August 2024)

* Member(s) of Malaysian Institute of Accountants

The composition of the AC meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Meetings

The AC held a total of five (5) meetings during the financial year ended 31 December 2024 (“FY2024”) and the details of attendance of the AC members are as follows:

AC Members	1st AC Meeting 19/02/2024	2nd AC Meeting 21/03/2024	3rd AC Meeting 13/05/2024	4th AC Meeting 14/08/2024	5th AC Meeting 11/11/2024	Total Attendance in FY2024
Kamarul Baharin bin Albakri	√	√	√	√	√	5/5
Zaidah binti Mohd Salleh	√	√	√	√	√	5/5
Professor Dato’ Ir. Dr. Mohd Hamdi bin Abd Shukor * (appointed on 1 July 2024)	-	-	-	√	√	2/2
Dato’ Seri Rosman bin Mohamed * (appointed on 26 August 2024)	-	-	-	-	√	1/1
Dato’ Hajjah Rosnani binti Ibarahim ** (resigned on 13 May 2024)	√	√	√	-	-	3/3

* Reflects the number of meetings held during FY2024 after appointment as AC Member(s).

** Reflects the number of meetings held during FY2024 before resignation as AC Chairperson.

Summary of Work of AC

The AC's activities during FY2024 included the following:-

1. Financial Reporting

- a. Reviewed the audited year-end financial statements of the Group prior to recommending the same for the Board's approval;
- b. Reviewed the unaudited quarterly financial statements and consolidated results of the Group prior to recommending the same for the Board's approval;
- c. Reviewed the financial position and performance progress report prepared by the Management for submission to Bursa Malaysia Securities Berhad; and
- d. Received the relevant business, financial and tax-related updates from Management, including their plans and strategies.

2. External Audit

- a. Reviewed and discussed with the external auditors, the results of their audit on the financial statements for the financial year ended 31 December 2023 ("FY2023") and their memorandum of suggestions;
- b. Reviewed and discussed on the resignation of the existing external auditors and the appointment of new external auditors;
- c. Reviewed and discussed with the external auditors, their audit plan for FY2024, covering the areas of audit emphasis, audit timetable, scoping of the group audit, digital audit amongst others;
- d. Reviewed the suitability, objectivity and independence of the external auditors in order to recommend their re-appointment to the Board for recommendation to the shareholders for approval during the 32nd Annual General Meeting of the Company;
- e. Reviewed the audit fees, including non-audit fees, prior to recommending the same for the Board's approval; and
- f. Met with the external auditors without the presence of the Executive Directors and Management to enquire on significant findings, fraud consideration, management capabilities and/or the level of co-operation from Management.

3. Internal Audit

- a. Reviewed and approved the Internal Audit Plan for FY2024;
- b. Reviewed the adequacy of the scope, functions, competency and resources and overall performance of the internal auditors;
- c. Reviewed the internal audit reports and assessed the findings highlighted and appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported;
- d. Reviewed on the follow-up review reports issued by the internal auditors and assessed the status of corrective actions taken by Management in implementing the agreed action plans within the agreed timeline; and
- e. Met with the internal auditors without the presence of the Executive Directors and Management to enquire on areas of concern, fraud consideration and level of co-operation from Management and their capability.

4. Related Party Transactions

- a. Reviewed the recurrent related party transactions of a revenue or trading nature of the Group; and
- b. Reviewed the Circular to Shareholders in Relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, prior to recommending the same for the Board's approval.

5. Other Activities

- a. Reviewed the following reports for inclusion in the Annual Report prior to recommending the same for the Board's approval:
 - Audit Committee Report
 - Statement on Risk Management and Internal Control
 - Corporate Governance Overview Statement
 - Corporate Governance Report
 - Management Discussion and Analysis
 - Sustainability Statement
- b. Reviewed the Statement to Shareholders in Relation to the Proposed Renewal of the Authority to the Company to Purchase up to 10% of the total number of Issued Shares in the Company;
- c. Reviewed the Conflict of Interest declaration by the new Independent Non-Executive Directors;
- d. Reviewed and confirmed the minutes of AC meetings; and
- e. Reported to the Board on the proceedings of each AC meeting, through the AC Chairman.

Internal Audit Function

The objective of engaging professional internal auditors is to enhance and protect organisational value of the Group by providing risk-based and objective assurance, advice and insight. Baker Tilly Monteiro Heng Governance Sdn Bhd, which reports directly to the AC, helps the Group with independent assessment to accomplish its objectives with systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes.

The total cost incurred for the internal audit function in FY2024 was RM135,206.00 (FY2023: RM120,433.63).

During the financial year under review, the internal audit activities include, inter alia, the following:-

- a. Presented the internal audit findings and action plans to be taken by Management to the AC;
- b. Conducted follow-ups on previous audits to ensure corrective actions had been taken and reported the same to the AC;
- c. Conducted audit review on the following activities as per the Internal Audit Plan for FY2024 which was approved by the AC on 11 November 2024:

 Company	 Key Audit Areas
Alam Sekitar Malaysia Sdn Bhd	<ul style="list-style-type: none"> • Business Development and Sales • Project Implementation • Revenue and Receivables
Saudi ASMA Environmental Solution LLC	<ul style="list-style-type: none"> • Project Implementation • Revenue & Receivables
ALS Technichem (M) Sdn Bhd	<ul style="list-style-type: none"> • Sales, Service & Reporting • Customer Satisfaction • Revenue & Receivables
PT ALS Indonesia	<ul style="list-style-type: none"> • Sales, Service & Reporting • Customer Satisfaction • Revenue & Receivables
Progressive Impact Corporation Berhad	<ul style="list-style-type: none"> • Corporate Governance Review

- d. Presented the Internal Audit Plan for the financial year ending 31 December 2025 which was approved by the AC on 11 November 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



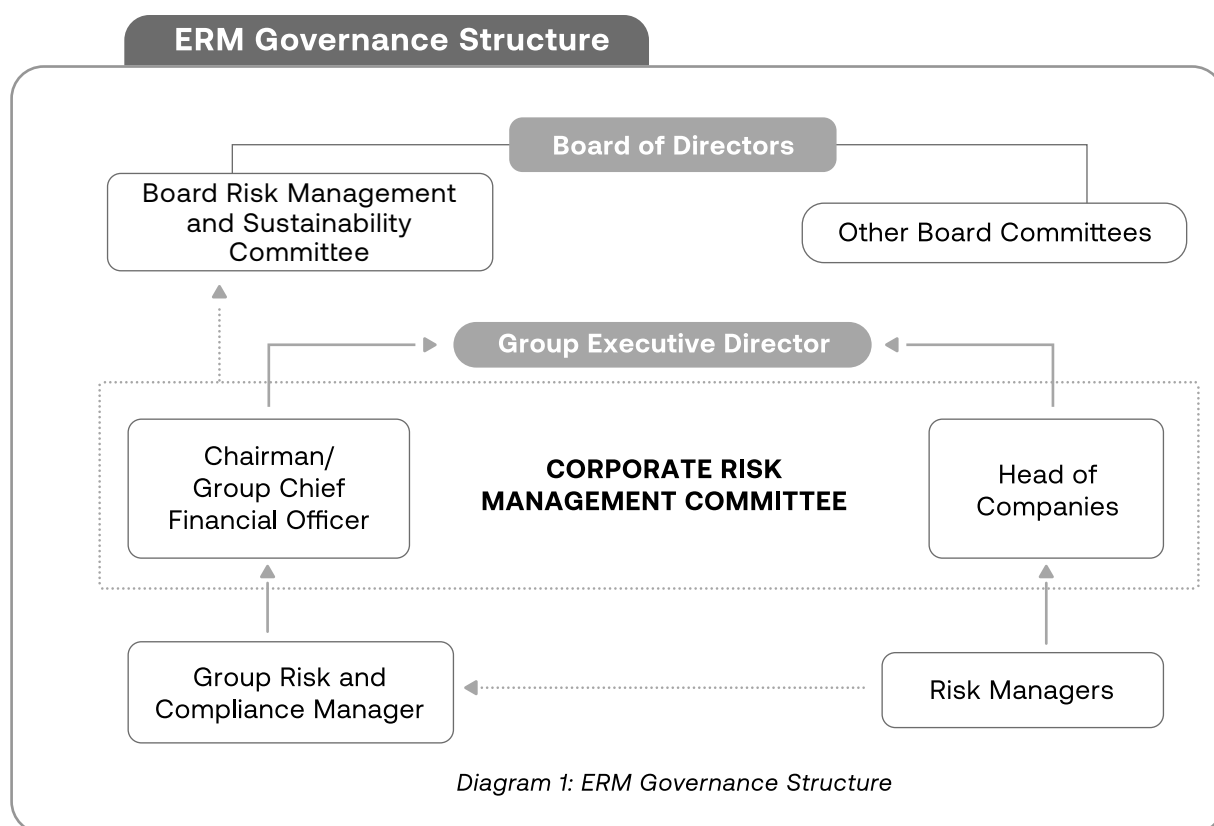
Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Boards of listed companies are required to include in their annual report, a “statement about the state of internal control of the listed issuer as a group”. Accordingly, PICORP’s Board of Directors (the Board) is pleased to provide the following statement that has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers endorsed by Bursa Securities and Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance (“MCCG”) issued by Security Commission which outlines the nature and scope of the risk management and internal control within PICORP Group of Companies (“PICORP”) during the financial year under review.

INTRODUCTION

Enterprise Risk Management (“ERM”) and internal controls are integrated into management processes and are embedded in all day-to-day business activities of PICORP. It is the Board’s priority to ensure that uncertainties and investment risks in new business ventures are managed in order to safeguard the interest of the shareholders. Collectively, the Board oversees and reviews the conduct of the PICORP’s business while the Group Executive Director and the Management measure and control to ensure that the risks are effectively managed.

ENTERPRISE RISK MANAGEMENT (“ERM”) GOVERNANCE STRUCTURE

The ERM governance structure provides clear accountabilities and responsibilities in managing risk within PICORP. This ensures that the ERM activities remain appropriate and prudent, and that significant risks are managed and monitored continuously. PICORP’s ERM governance structure is set out in the diagram 1 below:



■ THE BOARD

The Board is responsible for the establishment as well as oversight of PICORP's ERM framework and internal control systems are designed to manage the risk appetite set by the Board to achieve PICORP's goals and objectives. The Board periodically reviews the effectiveness and adequacy of the framework and systems by identifying, assessing, monitoring and communicating key business risks to safeguard shareholders' investment and PICORP's assets.

The Board has delegated the Risk and Governance responsibilities to the Board Risk Management and Sustainability Committee (BRMSC) which provides independent oversight of the internal control and ERM. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of PICORP's ERM framework and internal control systems.

The Board is cognisant of the fact that its role in providing risk oversight sets the tone and culture towards managing the key risks that may impede the achievement of PICORP's business objectives within acceptable risk appetite. The Board also acknowledges that the internal control systems are designed as a tool to manage and minimise rather than eliminate occurrences of risks or material misstatement or unforeseeable circumstances, fraud or losses.

■ BOARD RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE ("BRMSC")

Effective 26 August, 2024, the Board has approved the renaming of the "Board Risk Management Committee" to the "Board Risk Management and Sustainability Committee ("BRMSC")." This change underscores the Company's commitment to addressing the increasing need for greater accountability in Economic, Environmental, Social, and Governance ("EESG") practices. The BRMSC main responsibility is to assist the Board to discharge its overall responsibility for risk oversight within PICORP. Specifically, the BRMSC oversees the overall ERM processes, reviews and identifies key risks, and ensures that infrastructure, resources, processes and systems for ERM are in order. The BRMSC is also responsible for overseeing the Company's governance, strategy and management and reviewing the practices and initiatives relating to EESG matters ensuring they remain effective and up to date. Clearly defined and documented internal policies and procedures for certain key operational areas have been established and are subject to periodic review. The BRMSC is governed by clearly defined Terms of Reference which can be referred on PICORP's website, revised and approved by the Board on 25 August 2022.

■ AUDIT COMMITTEE ("AC")

The main responsibility of the AC is to assist the Board in assessing the effectiveness of PICORP's internal control systems and overseeing the financial reporting. AC also reviews the adequacy and integrity of the internal control systems and management information systems, including compliance with applicable laws, rules, directives and guidelines through the internal audit function. The AC convenes meetings with the Internal Auditors at least quarterly to deliberate on the findings and recommendations for improvement of the internal control systems. The AC reviews the action plans taken by the Management to rectify the findings on a timely manner. The AC's Terms of Reference is stipulated in the Board Charter which is accessible in PICORP's website.

■ CORPORATE RISK MANAGEMENT COMMITTEE ("CRMC")

In discharging its responsibilities, the BRMSC is assisted by the CRMC in which the Group Chief Financial Officer ("GCFO") acts as the Chairman of the committee. The members of CRMC comprise the Heads of Companies as well as the Heads of Functions namely the Group Legal, Secretarial and Human Capital Development, Corporate Research & Development, Group IT and Facility Management. The responsibilities of CRMC include implementing the ERM processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and providing assurance to the Board that the processes have been carried out. The CRMC is governed by clearly defined Terms of Reference which can be referred on PICORP's website.

■ GROUP RISK AND COMPLIANCE ("GRC") UNIT

The GRC unit is responsible for developing, coordinating and facilitating the ERM processes as well as the outsourced Internal Audit activities within PICORP. Series of Risk Reassessment workshops were conducted with the risk managers of respective subsidiaries, risk and process owners to carry out risk assessment on existing and new risks. Where necessary, one-on-one session with the respective risk and process owners is conducted to further improve the level of risk awareness among the members of the organisation. The GRC unit consistently organises ERM activities such as sharing of risk bulletin, risk management quizzes and contests in order to elevate a greater risk culture throughout PICORP.

HEAD OF COMPANY

The Head of Company is responsible to ensure effective implementation of the risk management and that all personnel adhere to its mandates. The detailed line accountability for ERM is fully aligned with PICORP's management structure. Accordingly, the approvals, responsibilities and accountabilities applicable to the identification, evaluation, management and reporting of the Group's risks are attributed to the Head of Company. Ultimately, the Head of Company is responsible for all risk information tabled to the CRMC and thereafter the BRMSC.

RISK MANAGER

Risk Manager is appointed by each company to further support the ERM processes within PICORP. The role of the Risk Manager is to assist the Head of the Company where he or she is tasked to facilitate and coordinate all the ERM activities at the company level under the guidance of the GRC Manager.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional services firm to assist the Board and AC in providing an independent assessment on the adequacy, efficiency and effectiveness of PICORP's internal control system. The coordination of the internal audit plan, activities, field audit as well as the acceptance of the internal audit report is being carried out by the GRC Unit.

During the financial year ended 31 December 2024, internal audit reviews were carried out in accordance with the approved risk internal audit plan. Findings from the internal audit reviews, including the recommended corrective actions, were presented to the AC in their quarterly scheduled meetings.

In the year 2024, the Internal Audit function had audited PICORP and its subsidiaries, focusing specifically on Corporate Governance Review, Project Implementation, Revenue & Receivables, Sales, Service & Reporting, Customer Satisfaction, and Business Development. Additionally, follow-up reviews were also conducted on a regular basis to ensure that corrective actions have been implemented in a timely manner. The yearly audit plan is approved by the AC and the audit reports are presented to the AC on a quarterly basis.

Based on the internal audit review conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

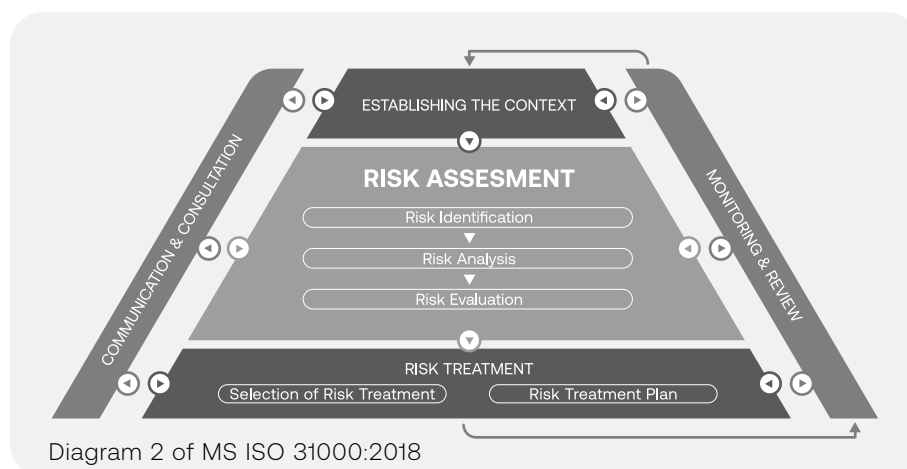
ERM FRAMEWORK

A proactive ERM Framework is important to create and protect stakeholders' value with full integration of risk management in the organisation's governance structure as well as the decision-making process. In line with the statement above, PICORP has adopted an ERM Framework to govern its businesses and operations. This ERM Framework is generally aligned with the principles of ISO 31000:2018.

The framework enables PICORP to carry out systematic and continuous approach in managing the organisational risk exposure which includes credit risk, market risk, operational risk, compliance risk, strategic risk and reputational risk. The ERM Framework outlines the ERM governance and structure, processes, accountabilities, as well as responsibilities throughout PICORP. It also provides the Board and Management with a tool to anticipate and manage both existing and potential risks, taking into consideration changes in PICORP's internal and external operating environment. ERM at PICORP enables the Management to effectively deal with uncertainties and the associated risks and opportunities, enhance the capacity to build or enhance value for stakeholders.

ERM PROCESS

PICORP has adopted the MS ISO 31000:2018 Risk Management Standard which serves as a guideline for identifying, evaluating, managing and monitoring significant risks by PICORP in order to align its ERM process with industry best practices. Diagram 2 of MS ISO 31000:2018 illustrates PICORP Risk Management Process.



An ongoing process to identify, analyse, evaluate and treat the risks that may affect the achievement of PICORP's business objectives is in place. Departments and companies are responsible for managing risks within their respective areas of responsibilities and required to conduct risk reviews on an annual basis. The risk register and the risk action plans are tabled and discussed during CRMC meeting on regular basis. In furtherance to the above, key risks are highlighted and deliberated by BRMSC on a quarterly basis.

RISK MANAGEMENT SYSTEM & PORTAL

The PICORP risk management system continues to be the platform for ERM process in PICORP which captures all pertinent information of all risks identified including the Risk Action Plan ("RAP"). Online access to the system facilitates the ERM process whereby users can closely monitor and update their respective ERM dashboard in real time.

Key risks of key business units are identified, assessed and categorised based on the established risks parameters, to highlight the source of risk, their severity of impacts, and the magnitude of likelihood of occurrence. All the risk profiles are presented in the CRMC meeting prior to the BRMSC meeting for deliberation and approval.



The Management continuously strives to improve the related processes to ensure that the ERM processes are embedded and regarded as an effective management tool.

GRC established a risk portal via SharePoint, allowing staff to access information related to risk management remotely and at their convenience. GRC consistently organises ERM activities, such as sharing risk bulletins to promote a stronger risk culture throughout the PICORP Group. Additionally, staff can download the Risk Management Policy and SOPs through the risk portal for reference and guidance in implementing risk management within their respective companies.

INTERNAL CONTROLS

Supporting the ERM Framework and processes is an internal control system that facilitates the internal control design and operating effectiveness to manage the key risks.

 INTERNAL CONTROL SYSTEM	 DESCRIPTION
Organisational Structure & Authorisation Procedures	<p>PICORP maintains a formal organisational structure that includes clear delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures within the internal control system of PICORP's various business units.</p>
Annual Business Plan	<p>PICORP business planning start with the brainstorming sessions where the sessions are conducted at departmental, company and group function levels to ensure a robust and solid business planning. Then, Business Plan is prepared and presented to Group Management first before it is presented to the Board of Directors for approval. Additionally, as certain business segments are experiencing a period of business decline, the Management has taken additional initiative to come out with 3-year Turnaround Plan in order to map out to return to profitability. Upon approval of the Business Plan by the Board, the Balanced Scorecards ("BSC") for each company and function will be reviewed and approved accordingly.</p>
Balanced Score Card ("BSC")	<p>PICORP has implemented BSC as PICORP strategic management system since 2018. BSC is a tool to translating strategic business objectives to action plans. It helps PICORP to align its management process and focuses the entire organisation on implementing long term strategy. BSC also acts as a communication tool where the concept of Strategy Map enables strategic business objectives and measures to be communicated across the entire organisation, by cascading KPIs and targets to departmental and individual levels. Besides that, BSC is used to monitor and track organisation performance on monthly basis. The organisation is required to provide a recovery plan for any non-achievement so that the performance gap can be closed out or narrowed down.</p>
Group Policies and Procedures	<p>Documented policies and procedures are in place, and regularly reviewed and updated so as to ensure that it maintains its effectiveness and continues to support PICORP's business activities as PICORP continues to grow. PICORP has established PICORP Group Limit of Authority to further improve the state of governance in PICORP.</p> <p>Included in the Group Policy is the Whistleblowing Policy and Guidelines which was developed to enable any individuals to raise concerns regarding PICORP. The policy was developed to achieve two (2) primary objectives as follows:-</p> <ul style="list-style-type: none"> • to provide a safe and acceptable avenue for staff or any other stakeholders to raise concerns so that it can be addressed in an independent and unbiased manner; and • to provide an internal mechanism for the organisation to be notified about concerns at the workplace and further if required, take any action deemed appropriate. <p>In addition, PICORP has in place, a comprehensive Human Resource Manual which consists of policy, procedures and forms with the aims to define policies and procedures that support basic management philosophies, outline company rules and requirements, clarify the Company's expectations of its employees, and describe lines of authority and levels of responsibility.</p>

 INTERNAL CONTROL SYSTEM	 DESCRIPTION
Group Policies and Procedures (continued)	<p>The No Gift Policy and the Anti-Bribery and Corruption Policy (“ABC Policy”) were approved by the Board and introduced to further strengthen the corporate governance policies and practices in PICORP. PICORP embraces a Zero Tolerance Policy against all forms of bribery and corruption. PICORP’s No Gift Policy further elaborates upon those principles, providing guidance to employee concerning how to deal with situations relating to the receiving and/or providing gifts that may arise in the course of business.</p> <p>The ABC Policy has been developed as part of the PICORP’s Anti-Bribery Programme which is pivotal in ensuring its corporate defence against Section 17A of the Malaysian Anti-Corruption Act 2009. Having a clear and unambiguous policy statement on PICORP’s position regarding bribery and corruption forms is the cornerstone of an effective integrity management system.</p>
Monitoring and Review	<p>Scheduled operational and management meetings are held to discuss and review the business plans, budgets, financial and operational performance of PICORP. Monthly and quarterly management accounts containing key financial results, operational performances and comparison of actual performance against budgets are presented to the Management team for monitoring and review. The process entails further analysis into the root causes for any shortfall against target which then facilitates the management of companies in coming up with recovery measures to close the gaps. The quarterly financial statements are presented to the Board for their review and approval.</p>

■ ASSURANCE BY THE GROUP EXECUTIVE DIRECTOR AND THE GROUP CHIEF FINANCIAL OFFICER

In relation to the ERM and internal control process, the Group Executive Director and Group Chief Financial Officer (through CRMC), to the best of their ability and knowledge confirm that PICORP’s ERM and internal control system is operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement.

■ REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The Statement has been reviewed by the External Auditors for the inclusion in the annual report of the PICORP Group for the financial year ended 31 December 2024. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of the internal controls.

■ CONCLUSION BY THE BOARD OF DIRECTORS

The Board considers the system of ERM and internal controls described in this statement to be satisfactory and the risks are at the acceptable level within the context of PICORP’s business environment. The Board and Management will continue to take measures to strengthen the control environment and monitor the effectiveness of the ERM and internal controls framework.

For the financial year under review, the Board is satisfied that the system of ERM and internal controls is satisfactory and has not resulted in any material losses, contingencies or uncertainties. The Board believes that the development of the system of risk and internal controls is an on-going process and has taken steps throughout the year to improve its ERM and internal control system and will continue to do so.

This Statement is made in accordance with the resolution of the Board dated 15 April 2025.

DIRECTORS' RESPONSIBILITY STATEMENT IN PREPARING THE AUDITED FINANCIAL STATEMENTS



The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been drawn up in accordance with the Malaysian Financial Reporting Standards (MFRSs), the IFRS Accounting Standards (IFRSs) and the requirements of the Companies Act 2016 in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial years, the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:-



adopted appropriate accounting policies and applied them consistently;



made judgments and estimates that are reasonable and prudent; and



prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company shall keep proper accounting records which disclose the financial position of the Group and the Company with reasonable accuracy and to enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and, to detect and prevent fraud and other irregularities.

This statement was approved by the Board of Directors on 15 April 2025.

ADDITIONAL COMPLIANCE INFORMATION



1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2024.

2. Options, Warrant or Convertible Securities

There were no options, warrants or convertible securities issued by the Company during the financial year. The Company did not have an Employee Share Scheme in existence during the financial year.

3. Recurrent Related Party Transactions

The breakdown of aggregate value of transactions conducted during the financial year is as follows:-

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
PICORP Group	Zaiyadal Sdn Bhd ("ZSB")	Provision of corporate services and support services by PICORP Group to ZSB	911,222	ZSB is a company in which Zaid bin Abdullah ("Zaid"), Zaidah binti Mohd Salleh ("Zaidah"), Usamah bin Zaid ("Usamah") and Fatimah Zahrah binti Zaid ("Fatimah Zahrah") are directors with 100% indirect interest.
PICORP Group	ZSB Group	Rental of 57,845 sq. ft. of office space in Mercu PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor to ZSB Group	996,938	ZSB is a company in which Zaid, Zaidah, Usamah and Fatimah Zahrah are directors with 100% indirect interest.
		Provision of environmental services, deployment, project management and laboratory services including consultation, supply of manpower, equipment, site-installation, site acceptance	1,875,585	

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
		<p>test and commissioning services by PICORP Group to ZSB Group</p> <p>Provision of sales agency services for the integrated digital halal ecosystem and other related services by PICORP Group to ZSB Group</p>		
PICORP Group	Progressive Impact Technology Sdn Bhd ("PITECH")	Reselling of predictive emission monitoring system by PITECH as a non-exclusive distributor for PICORP Group	-	<p>PITECH is a company in which Zaid and Zaidah are directors with indirect interest of 72% held through ZSB and Johar bin Yusof ("Johar"), is a director with shareholding of 10%.</p> <p>Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.</p>
	PITECH	Provision of engineering services by PITECH to PICORP Group	-	
	PITECH	Provision of environment consulting services by PICORP Group to PITECH	373,378	
	PITECH	Provision of corporate services and support services by PICORP Group to PITECH	1,342,482	
PICORP Group	Progressive Impact Technology (B) Sdn Bhd ("PITECH (B)")	Provision of environmental services including consultation, supply of manpower, equipment, site-installation, site acceptance test and commissioning	-	<p>PITECH (B) is a company in which Zaid and Zaidah have direct and indirect interests of 15.1% and Johar has indirect interest of 1.75% held through PITECH.</p> <p>Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.</p>

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
	PITECH (B)	<p>services by PICORP Group to PITECH (B)</p> <p>Provision of sales and marketing, administrative and other support services in Brunei by PITECH (B) to PICORP Group</p>	-	
PICORP Group	<p>Foxboro (M) Sdn Bhd ("Foxboro")</p> <p>Foxboro</p>	<p>Provision of engineering services by Foxboro to PICORP Group</p> <p>Provision of corporate services and support services by PICORP Group to Foxboro</p>	<p>-</p> <p>184,160</p>	<p>Foxboro is a company in which Zaid and Zaidah are directors with indirect interest of 37% and Johar is a director with indirect interest of 5% held through PITECH.</p> <p>Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.</p>
PICORP Group	Untung Aquaculture Sdn Bhd ("Untung Aqua")	Rental of 22.5 acres of leasehold land located at Lot No. PT 7605, Mukim of Lumut, Manjung, Perak to Untung Aqua	19,000	<p>Untung Aqua is a company in which Zaid and Zaidah have 100% direct and indirect interests through ZSB.</p> <p>Fatimah Zahrah and Usamah are deemed interested by virtue of their family relationship to Zaid and Zaidah.</p>
PICORP Group	Progressive Impact Corrosion Sdn Bhd ("PICorr")	Provision of corrosion solutions including consultation, supply of manpower, equipment, site-installation, site acceptance test and commissioning services by PICorr to PICORP Group	-	<p>PICorr is a company in which Zaid and Zaidah are directors with indirect interest of 72% and Johar is a director with indirect interest of 10% held through PITECH.</p> <p>Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.</p>

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
PICORP Group	Intelligent Aqua Sdn Bhd ("Intelligent Aqua")	Reselling of water treatment technology by PICORP Group as a non-exclusive distributor and provision of project management services by PICORP Group to Intelligent Aqua	-	Intelligent Aqua is a company in which Zaid and Zaidah are directors with indirect interest of 60% and Johar is a director with indirect interest of 17% held through PITECH and Intelligent Water Group Sdn Bhd. Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.
	Intelligent Aqua	Supply of water treatment technology by Intelligent Aqua to PICORP Group	-	

4. Material Contracts

There were no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interest during the financial year during ended 31 December 2024.

5. Non-Audit Fees

The fees paid/payable to the external auditor, Grant Thornton Malaysia PLT, for the financial year ended 31 December 2024 are as follows:-

	Group (RM)	Company (RM)
Audit	342,000	95,000
Non-Audit	10,000	10,000
Total	352,000	105,000

Information on the list of properties is available at the Company's website www.picorp.com.my.



06

**Financial
Statements**

DIRECTORS' REPORT



The directors have the pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

IMMEDIATE HOLDING COMPANY

The immediate holding company of the Company is Zaiyadal Sdn. Bhd. ("ZSB"), a company incorporated and domiciled in Malaysia.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding, property investment and the provision of management and administrative services to its subsidiaries.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

RESULTS

	Group RM	Company RM
Profit/(loss) net of tax	3,708,872	(7,395,118)
Profit/(loss) attributable to:		
Owners of the Company	(4,022,259)	(7,395,118)
Non-controlling interest	7,731,131	–
	3,708,872	(7,395,118)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the notes to the financial statements.

DIVIDENDS

There is no dividends paid or declared by the Company since 31 December 2023.

The Board of Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2024.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Zaid bin Abdullah**	
Zaidah binti Mohd Salleh**	
Dato' Hajjah Rosnani binti Ibarahim**	
Dato' Dr. Lukman bin Ibrahim**	
Usamah bin Zaid**	(Alternate director to Zaid bin Abdullah)
Fatimah Zahrah binti Zaid	(Alternate director to Zaidah binti Mohd Salleh)
Kamarul Baharin bin Albakri	
Datuk Syed Hisham bin Syed Wazir	
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor	(Appointed on 1 July 2024)
Dato' Seri Rosman bin Mohamed	(Appointed on 26 August 2024)

** These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Nadzrah binti Hashim	
Matthew Graham Masters	
Timothy James Kilmister	
Chin Teen Teen	
Herizal	
Abdul Wahab bin Nasser Al - Akeel	
Mansoor Abdul Wahab bin Nasser Al - Akeel	
Salman Abdul Wahab bin Nasser Al - Akeel	
Dato' Prof Mohd Omar bin Ab Kadir	
Abdullah bin Mohd Omar	
Zainab binti Zaid	
Monica Kuen Chi Leong	(Appointed on 1 January 2025)
Gregory Francis Kilmister	(Resigned on 1 January 2025)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no directors have received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown below and those disclosed in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT (CONT'D.)

DIRECTORS' BENEFITS (CONT'D.)

The directors' remunerations are as follows:

	Group RM	Company RM
Directors of the Company		
Executive	2,082,460	2,050,060
Non Executive	439,284	389,484
	2,521,744	2,439,544

INDEMNITIES TO DIRECTORS OR OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director or officer of the Company.

DIRECTORS' INTERESTS

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

	1.1.2024	Number of ordinary shares		31.12.2024
		Acquired	Sold	
The Company				
Direct interest:				
Zaid bin Abdullah*	44,875,100	5,757,000	–	50,632,100
Zaidah binti Mohd Salleh*	8,769,400	–	–	8,769,400
Usamah bin Zaid **	112,000	–	–	112,000
Fatimah Zahrah binti Zaid **	110,300	–	–	110,300
Deemed and indirect interest:				
Zaid bin Abdullah* and				
Zaidah binti Mohd Salleh*	304,370,422	–	(41,752,786)	262,617,636
Dato' Dr Lukman bin Ibrahim	176,000	600,000	–	776,000
Subsidiary				
- ALS Technichem (M) Sdn. Bhd.				
Direct:				
Zaid bin Abdullah*	10,000	–	–	10,000

* These directors are in a spousal relationship. They are deemed interest by virtue of his/her interest in Zaid & Zaidah (L) Foundation and indirect interests in respect of the shareholdings held by his/her children pursuant to the Companies Act 2016.

** These directors are the children of Zaid bin Abdullah and Zaidah binti Mohd Salleh.

DIRECTORS' INTERESTS (CONT'D.)

By virtue of their interests in the ordinary shares of the Company, Zaid bin Abdullah and Zaidah binti Mohd Salleh are also deemed to have interest in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

TREASURY SHARES

During the financial year, the Company does not acquire any of its own ordinary shares in the treasury shares of the Company.

As at 31 December 2024, the Company held as treasury shares a total of 2,628,900 issued ordinary shares. Such treasury shares are held at a carrying amount of RM363,789 and further relevant details are disclosed in Note 25 to the financial statements. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit loss and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for expected credit loss; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the expected credit losses in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (CONT'D.)

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely 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.

EVENT AFTER THE REPORTING DATE

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

AUDITORS

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

Auditors' remuneration is as follows:

	Group RM	Company RM
Grant Thornton Malaysia PLT	342,000	95,000
Member firm of Grant Thornton International Ltd.	78,385	–
Other auditors	62,300	–
	482,685	95,000

To the extent permitted by law, the Company has agreed to indemnify its auditors, Grant Thornton Malaysia PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for unspecified amount). No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 December 2024.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 April 2025.

Dato' Dr. Lukman bin Ibrahim

Datuk Syed Hisham bin Syed Wazir

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016



We, Dato' Dr. Lukman bin Ibrahim and Datuk Syed Hisham bin Syed Wazir, being two of the directors of Progressive Impact Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 125 to 202 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 April 2025.

Dato' Dr. Lukman bin Ibrahim

Datuk Syed Hisham bin Syed Wazir

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016



I, Hamsiah binti Khalid, being the officer primarily responsible for the financial management of Progressive Impact Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 125 to 202 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Hamsiah binti Khalid
at Kuala Lumpur on 15 April 2025.

Hamsiah binti Khalid
MIA Membership No: 13604

Before me,

INDEPENDENT AUDITORS' REPORT

to the members of Progressive Impact Corporation Berhad
(Incorporated in Malaysia)



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Progressive Impact Corporation Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 125 to 202.

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

Independence and other ethical responsibilities

We are independent of the Group and 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 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 year. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

■ REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (Cont'd.)

Group

Revenue and cost recognition for environmental construction projects
(Refer to Note 2.5(c), 3.2(a), 4 and 19 to financial statements)

Within the environmental consultancy and monitoring services segment, the Group recognised revenue and cost amounting RM4.4 million and RM3.1 million respectively, which were computed based on stage of completion method. Stage of completion is determined by using the input method, i.e. the proportion of environmental construction project cost incurred for work performed to date, to the budgeted total environmental construction project cost.

We focused on this area because management made significant judgement in determining the stage of completion, the extent of the environmental construction project cost incurred and the estimated/budgeted total environmental construction project cost.

In addressing this area of audit focus, we performed, among others the following procedures:

- (a) assessed and understand the design and operating effectiveness of the management's budgeting process;
- (b) read key contracts to obtain an understanding of the specific terms and conditions and agreed the contract revenue to the original signed customer contracts and/or approved variation orders;
- (c) reviewed management's budgeted project costs to ensure adequacy of costs to complete and interviewed management's project team on the achievability of the forecasted costs to completion of the individually significant projects;
- (d) assessed actual costs incurred and accrued costs by examining evidences on sampling basis such as contractors' progress claims and suppliers' invoices issued during the financial year and/or subsequent to the financial year; and
- (e) reperformed the calculations of the revenue based on the percentage of completion method and where applicable, considered the implications of any changes in estimates.

Impairment assessment of the Group's goodwill
(Refer to Note 3.2(b) and 17 to financial statements)

The Group is required to test annually the amount of goodwill for impairment. The impairment testing relies on estimates of value-in-use based on estimated future cash flows.

The annual impairment test of goodwill is significant to our audit because the assessment process used in preparing the estimated future cash flows is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions.

Our audit procedures included, among others, obtaining an understanding of the methodology adopted by the management in estimating the value-in-use ("VIU"), assessing whether such methodology is consistently applied with those used in the industry and evaluating the assumptions to which the recoverable amount of the cash generating units ("CGUs") are most sensitive by performing the following:

- (a) enquired the management to obtain an understanding of the status of negotiations and the likelihood of securing the future significant revenue contracts;
- (b) evaluated the estimated profits to be derived from those significant revenue contracts to be secured by comparing the estimated profit margin with the actual profit margin derived from similar completed contracts in previous years;
- (c) together with valuation specialists, evaluated the discount rate used to determine the net present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset; and
- (d) assessed the sensitivity on the key assumptions that are most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

■ REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (Cont'd.)

Company

Impairment assessment of investment in subsidiaries and amount due from subsidiaries
(Refer to Note 3.2(c), 3.2(d), 16 and 18 to financial statements)

Investment in subsidiaries and non-trade amount due from subsidiaries were RM23.78 million and RM21.89 million respectively as at 31 December 2024. Management performed impairment assessment on these carrying amount as there were indicators of impairment. Based on management's assessment, impairment charges on the investment in subsidiaries and amount due from subsidiaries of RM6.06 million and RM4.34 million respectively were recorded during the year.

Management determined the recoverable amounts of the investment in subsidiaries based on the VIU and the Company also provided for expected credit loss on the amount due from subsidiaries based on the general approach. We considered the audit of management's impairment assessment on these balances to be significant because the amount was material to the Company and the impairment assessment involves significant management judgement.

In addressing this area of audit focus, we performed, among others the following procedures:

- (a) obtained an understanding of the methodology adopted by the management in estimating the VIU, evaluated the assumptions to which the recoverable amount of the CGUs are most sensitive such as future revenue, profit margin, timing of the future cash flows, revenue growth rate and discount rate;
- (b) assessed the appropriateness of management's assumptions in determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages under the ECL general approach; and
- (c) discussed with management and corroborated the assumptions using historical data and publicly available information, where available, in relation to estimation of default rate, loss exposure at default used by the management, and considered forward- looking adjustments made including the current economic and market conditions.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 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 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.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

■ REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' responsibilities for the audit of the financial statements (Cont'd.)

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 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.

■ REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

■ OTHER MATTERS

1. 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.
2. The financial statements of the Company as at 31 December 2023 were audited by another auditors who expressed an unqualified opinion on the financial statements dated 4 April 2024.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur, Malaysia
15 April 2025

LEE SHEAU WEI
(NO. 03539/12/2026 J)
CHARTERED ACCOUNTANT

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024



	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue	4	102,012,768	92,035,640	10,358,860	10,393,605
Cost of sales	5	(41,053,510)	(39,290,175)	(1,520,859)	(1,438,636)
Other income	6	1,969,563	4,736,309	2,294,818	2,069,705
Staff costs	7	(29,218,717)	(24,911,283)	(3,554,328)	(2,801,317)
Depreciation and amortisation		(6,544,976)	(6,876,688)	(1,062,797)	(1,176,126)
Reversal of impairment/ (Impairment) of receivables		197,515	(1,531,779)	(4,343,342)	–
Other operating expenses		(12,381,237)	(12,879,530)	(7,236,301)	(725,390)
Profit/(loss) from operations		14,981,406	11,282,494	(5,063,949)	6,321,841
Finance costs	9	(6,007,625)	(4,951,675)	(2,331,169)	(2,311,821)
Profit/(loss) before tax	10	8,973,781	6,330,819	(7,395,118)	4,010,020
Taxation	11	(5,264,909)	(3,725,954)	–	17,537
Profit/(loss) net of tax		3,708,872	2,604,865	(7,395,118)	4,027,557
<i>Item that are or may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation		54,413	(330,318)	–	–
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Actuarial gain/(loss) on retirement benefit		120,160	(167,779)	–	–
Other comprehensive income/(loss) for the year, net of tax		174,573	(498,097)	–	–
Total comprehensive income/(loss) for the year		3,883,445	2,106,768	(7,395,118)	4,027,557

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D.)

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Profit/(loss) attributable to:					
Owners of the Company		(4,022,259)	(3,581,998)	(7,395,118)	4,027,557
Non-controlling interest		7,731,131	6,186,863	–	–
		3,708,872	2,604,865	(7,395,118)	4,027,557
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		(3,282,832)	(4,503,479)	(7,395,118)	4,027,557
Non-controlling interest		7,166,277	6,610,247	–	–
		3,883,445	2,106,768	(7,395,118)	4,027,557
Earnings per share (sen)					
- Attributable to owners of the Company:					
Basic and diluted	12	(0.61)	(0.55)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024



	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Assets					
Non-current assets					
Property, plant and equipment	13	37,471,314	39,915,283	1,075,955	905,271
Investment properties	15	34,481,808	35,196,479	38,475,706	39,190,377
Investment in subsidiaries	16	–	–	23,777,287	25,633,386
Goodwill on consolidation	17	6,951,508	6,951,508	–	–
Deferred tax assets	27	5,196,970	5,196,970	–	–
Other receivables	18	–	–	21,893,848	24,376,596
		84,101,600	87,260,240	85,222,796	90,105,630
Current assets					
Inventories		34,909	34,909	–	–
Trade and other receivables	18	44,423,281	38,483,878	8,027,651	9,512,872
Contract assets	19	1,506,057	2,960,124	–	–
Tax recoverable		771,097	910,844	–	186,432
Other current financial assets	20	4,894,613	15,869,464	13,563	13,116
Cash and bank balances	21	44,644,034	39,036,854	8,398,725	8,091,264
		96,273,991	97,296,073	16,439,939	17,803,684
Total assets		180,375,591	184,556,313	101,662,735	107,909,314

STATEMENTS OF FINANCIAL POSITION (CONT'D.)

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
Equity and liabilities					
Non-current liabilities					
Retirement benefit obligation	24	1,880,852	1,777,446	–	–
Deferred tax liabilities	27	1,934,094	2,541,143	–	–
Lease obligations	14	269,543	565,127	86,728	–
Borrowings	23	142,989	201,417	–	–
		4,227,478	5,085,133	86,728	–
Current liabilities					
Trade and other payables	22	31,871,450	36,092,711	15,363,674	15,071,851
Contract liabilities	19	278,692	1,050,089	–	–
Lease obligations	14	354,424	596,135	88,659	14,655
Borrowings	23	62,595,952	58,684,186	28,886,995	28,191,011
Income tax payable		2,455,820	2,879,069	–	–
		97,556,338	99,302,190	44,339,328	43,277,517
Total liabilities		101,783,816	104,387,323	44,426,056	43,277,517
Equity attributable to Owners of the Company					
Share capital	25	65,970,290	65,970,290	65,970,290	65,970,290
Treasury shares	25	(363,789)	(363,789)	(363,789)	(363,789)
Other reserves	26	(2,301,492)	(3,040,919)	–	–
Accumulated losses		(18,861,832)	(14,839,573)	(8,369,822)	(974,704)
		44,443,177	47,726,009	57,236,679	64,631,797
Non-controlling interest		34,148,598	32,442,981	–	–
Total equity		78,591,775	80,168,990	57,236,679	64,631,797
Total equity and liabilities		180,375,591	184,556,313	101,662,735	107,909,314

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024



Group	Note	Attributable to owners of the Company					Non-controlling interest RM	Total equity RM
		Share capital RM	Treasury shares RM	Other reserves RM	Accumulated losses RM	Total RM		
At 1 January 2024		65,970,290	(363,789)	(3,040,919)	(14,839,573)	47,726,009	32,442,981	80,168,990
(Loss)/Profit for the financial year		-	-	-	(4,022,259)	(4,022,259)	7,731,131	3,708,872
Other comprehensive income/(loss)		-	-	739,427	-	739,427	(564,854)	174,573
Total comprehensive income/(loss)		-	-	739,427	(4,022,259)	(3,282,832)	7,166,277	3,883,445
Transactions with owners								
Dividends paid to non-controlling interest	16	-	-	-	-	-	(5,460,660)	(5,460,660)
At 31 December 2024		65,970,290	(363,789)	(2,301,492)	(18,861,832)	44,443,177	34,148,598	78,591,775
At 1 January 2023		65,970,290	(363,789)	(2,119,438)	(11,257,575)	52,229,488	31,495,302	83,724,790
(Loss)/Profit for the financial year		-	-	-	(3,581,998)	(3,581,998)	6,186,863	2,604,865
Other comprehensive (loss)/income		-	-	(921,481)	-	(921,481)	423,384	(498,097)
Total comprehensive (loss)/income		-	-	(921,481)	(3,581,998)	(4,503,479)	6,610,247	2,106,768
Transactions with owners								
Dividends paid to non-controlling interest	16	-	-	-	-	-	(5,662,568)	(5,662,568)
At 31 December 2023		65,970,290	(363,789)	(3,040,919)	(14,839,573)	47,726,009	32,442,981	80,168,990

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024



Company	Note	Non ← Distributable →		Accumulated losses RM	Total equity RM
		Share capital RM	Treasury shares RM		
At 1 January 2024		65,970,290	(363,789)	(974,704)	64,631,797
Total comprehensive loss		–	–	(7,395,118)	(7,395,118)
At 31 December 2024		65,970,290	(363,789)	(8,369,822)	57,236,679
At 1 January 2023		65,970,290	(363,789)	(5,002,261)	60,604,240
Total comprehensive income		–	–	4,027,557	4,027,557
At 31 December 2023		65,970,290	(363,789)	(974,704)	64,631,797

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2024



	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Profit/(loss) before tax	8,973,781	6,330,819	(7,395,118)	4,010,020
Adjustments for:				
Depreciation of property, plant and equipment	5,830,305	6,162,017	348,126	461,455
Amortisation of investment properties	714,671	714,671	714,671	714,671
Provision for retirement benefit obligations	446,299	468,643	–	–
Loss/(gain) on disposal of property, plant and equipment, net	10,818	(1,211,626)	(5,773)	–
Property, plant and equipment written off	18,352	219	–	217
Gain on termination of leases	(74,727)	(103,028)	–	–
(Reversal of impairment)/Impairment of				
- trade receivables	(197,515)	1,531,779	–	–
- other receivables	–	–	4,343,342	–
Impairment of investment in a subsidiary	–	–	6,056,099	–
Fair value gain on other current financial assets	(34,702)	(234,344)	(447)	(446)
Unrealised loss/(gain) from foreign exchange	803,381	(1,670,765)	–	–
Finance cost	6,007,625	4,951,675	2,331,169	2,311,821
Profit income from deposits	(655,575)	(683,376)	(163,186)	(147,671)
Profit income from intercompany loans	–	–	(1,788,469)	(1,600,427)
Operating profit before working capital changes	21,842,713	16,256,684	4,440,414	5,749,640

STATEMENTS OF CASH FLOWS (CONT'D.)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities (Cont'd.)				
Operating profit before working capital changes	21,842,713	16,256,684	4,440,414	5,749,640
Working capital changes:				
Inventories	–	28,450	–	–
Contract customers	682,670	(924,821)	–	–
Receivables	(6,241,276)	4,565,766	(2,672,562)	208,958
Payables	(3,962,032)	1,062,303	156,093	(3,150,368)
Cash generated from operations	12,322,075	20,988,382	1,923,945	2,808,230
Retirement benefit obligation paid	(126,880)	(634,211)	–	–
Taxation (paid)/refund	(6,146,355)	(4,193,039)	186,432	–
Net cash flows from operating activities	6,048,840	16,161,132	2,110,377	2,808,230
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1,924,213	2,312,781	11,521	–
Net withdrawal of unit trust	10,431,689	3,080,000	–	–
Purchase of property, plant and equipment	(5,978,561)	(4,244,914)	(287,408)	(462,158)
Profits received from deposits	655,575	683,376	163,186	147,671
Net cash flow on acquisition of a subsidiary (Note 16(d))	–	212,445	–	–
Placement of deposits pledged	(585,869)	(331,012)	(163,186)	(147,671)
Net cash flows from/ (used in) investing activities	6,447,047	1,712,676	(275,887)	(462,158)

STATEMENTS OF CASH FLOWS (CONT'D.)

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities					
Net drawdown/(repayment) of borrowings		3,503,776	1,298,049	–	(67,461)
Dividend to non-controlling interest		(4,703,736)	(5,662,568)	–	–
Financing cost paid		(6,007,625)	(5,009,002)	(2,309,781)	(2,218,265)
Lease payment		(521,895)	(329,568)	(76,418)	(44,434)
Net cash used in financing activities		(7,729,480)	(9,703,089)	(2,386,199)	(2,330,160)
Net increase/(decrease) in cash and cash equivalents		4,766,407	8,170,719	(551,709)	15,912
Cash and cash equivalents at beginning of the year		9,867,620	1,696,901	(17,124,748)	(17,140,660)
Translation differences		(648,529)	–	–	–
Cash and cash equivalents at end of the year		13,985,498	9,867,620	(17,676,457)	(17,124,748)
Cash and cash equivalents:					
Cash and bank balances	21	44,644,034	39,036,854	8,398,725	8,091,264
Overdraft	23	(18,599,157)	(17,695,724)	(17,886,995)	(17,191,011)
		26,044,877	21,341,130	(9,488,270)	(9,099,747)
Less: Restricted deposits	21	(12,059,379)	(11,473,510)	(8,188,187)	(8,025,001)
		13,985,498	9,867,620	(17,676,457)	(17,124,748)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024



1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal business place of the Company are located at Suite 5.02, Mercu PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.

The principal activities of the Company are that of investment holding, property investment and the provision of management and administrative services to its subsidiaries.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

The immediate holding company of the Company is Zaiyadal Sdn. Bhd. ("ZSB"), a company incorporated and domiciled in Malaysia.

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

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards ("IFRS") and the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical cost basis unless otherwise disclosed in the accounting policies.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Adoption of Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year except as follows.

On 1 January 2024, the Group and the Company have adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 101 <i>Presentation of Financial Statements</i> : Non-Current Liabilities with Covenants and Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 16 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Statement of Cash Flows and Financial Instruments</i> : Disclosures - Supplier Finance Arrangements	1 January 2024

The adoption of above new and amendments to MFRS did not have any significant impact on the financial statements of the Group and the Company in the current financial year.



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments that are part of Annual Improvement - Volume 11: Amendments to MFRS 1, 7, 9, 10 and 107	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	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 pronouncements is not expected to have significant impact on the financial statements of the Group and the Company in the period of initial application, except for MFRS 18 *Presentation and Disclosure in Financial Statements*.

MFRS 18 *Presentation and Disclosure in Financial Statements* introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier.

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

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2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Business combinations are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment charges. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate profit or loss.

2.5 Summary of material accounting policies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

(c) Revenue

(i) Revenue from contracts with customers

The Group's revenue are generally derived from provision of environmental, consultancy and construction services, and laboratory testing services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Revenue from sales of goods and provision of services are recognised at the point in time at which the customer obtains control of the promised goods or services. The payment is generally due within 30 to 90 days from delivery/performance.



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (cont'd.)

(c) Revenue (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

Revenue from construction the equipment for the customers under long-term contracts with customers. Such contracts are entered into before construction of the equipment begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the equipment to another customer and has an enforceable right to payment for work done. Revenue from construction of such equipment is therefore recognised over time on a input method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15.

The Group gives guarantee period on projects and undertakes to repair or replace items that fail to perform satisfactorily. The obligation to repair or replace such items is not considered a separate performance obligation as the customer does not have the option to purchase a warranty separately, and the warranty does not provide the customer with a service in addition to the assurance that the product complies with agreed-upon specifications.

(ii) Other revenue

Profit income from deposits and intercompany loans

Profit income from deposits and intercompany loans is recognised on an accrual basis using the effective interest method.

Information technology, profit from shared service and management service fees

Information technology, profit from shared service and management service fees are recognised when services are rendered.

Dividend income

Dividend income is recognised when the Group's and Company's right to receive payment is established.

Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

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2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (cont'd.)

(d) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Leasehold land	4%
Buildings	2% - 10%
Renovation	10% - 20%
Plant and machinery	10% - 20%
Motor vehicles	10% - 20%
Office equipment	10% - 25%
Furniture and fittings	10% - 25%

(e) Investment properties

Investment properties are measured at cost, including transaction costs, less accumulated depreciation and accumulated impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 2.5(d).

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with banks with an original maturity of 3 months or less, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and the Company's cash management, less restricted deposits.

(g) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

(ii) Subsequent measurement

For purposes of subsequent measurement, the Group's and the Company's financial assets are classified in financial assets at amortised cost (debt instruments) and financial assets at fair value through profit or loss.



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (cont'd.)

(g) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

Financial assets at amortised cost

The Group's and the Company's financial assets include trade and most other receivables and cash and bank balances.

Fair value through profit or loss

The Group and the Company designate its other current financial assets as financial assets at fair value through profit or loss.

(h) Financial liabilities

The Group and the Company's financial liabilities at amortised cost include trade and other payables and borrowings.

(i) Employee benefits - Defined benefit plan

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

(j) Leases

The Group and the Company as lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
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2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (cont'd.)

(j) Leases (cont'd.)

The Group and the Company as lessee (cont'd.)

(i) Right-of-use assets (cont'd.)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Properties 1 to 5 years
- Motor vehicles 5 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group and the Company as lessor

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management does not make any significant judgements which may have significant effect on the amount recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions 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 amounts of assets and liabilities within the next financial year are discussed below:

(a) Recognition of revenue and cost of environmental construction projects

The Group recognises construction revenue and cost in profit or loss by using stage of completion method. Stage of completion is determined by using the input method, i.e. the proportion of environmental construction project cost incurred for work performed to date, to the budgeted total environmental construction project cost.

Material estimate is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the estimate, the Group evaluates based on past experience.

Further details of the revenue and cost of environmental construction projects are disclosed in Note 4 and Note 5 respectively.

(b) Impairment assessment on goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated.

The Group has applied the discounted cash flow method of valuation to estimate the recoverable value of the goodwill. This method requires the Group to make certain assumptions concerning the future. These assumptions and other key sources of estimation uncertainty at reporting date, may have a significant risk of causing material adjustment of the carrying amount of the investment within the next financial year.

The Group uses its judgement on the discount rates to be applied in the recoverable amount calculation and the underlying assumptions applied in cash flow projections, including forecasted growth rates, inflation rates and gross profit margin.

These assumptions and other key sources of estimation uncertainty at reporting date, may have a significant risk of causing material adjustment of the carrying amount of the investment within the next financial year.

Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 17.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

(c) Impairment assessment of investment in subsidiaries

The Company assessed whether there is any indication that investment in subsidiaries may be impaired at each reporting date.

If indicators are present, these investments are subjected to impairment review. The impairment review comprises a comparison of the carrying amounts and estimated recoverable amounts of the investments.

Judgments made by the Company in the process of applying the Company's accounting policies in respect of investment in subsidiaries includes determination whether its investments are impaired following certain impairment indicators such as, amongst others, shortfall between net assets of the subsidiary than the cost of investment and significant changes with adverse effects on the investment.

During the financial year, the Company has assessed that certain investment in subsidiaries has indicators of impairment. The Company has applied the discounted cash flow method of valuation to estimate the recoverable value of the specific investments. This method requires the Company to make certain assumptions concerning the future. These assumptions and other key sources of estimation uncertainty at reporting date, may have a significant risk of causing material adjustment of the carrying amount of the investment within the next financial year.

Assumptions by the Company may include, amongst others, assumption on expected future revenue, profit margin, revenue growth rate and discount rate used for purposes of discounting future cash flows which incorporates the relevant risk and expected future outcome based on certain past trends.

Further details of the carrying value, the key assumptions applied in the impairment assessment of investment in subsidiaries and sensitivity analysis to changes in the assumptions are given in Note 16.

(d) Impairment assessment of receivables

Credit losses represent the difference between all contractual cash flow due to the Group and the cash flow that it actually expects to receive. The Group calculates expected credit losses using historical experience, external indicators and forward-looking information. An expected credit loss is the probability-weighted estimate of credit losses requiring the Group's judgement.

NOTE TO THE FINANCIAL STATEMENTS
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4. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contract with customers				
Environmental consultancy and monitoring services	29,956,648	30,476,062	–	–
Laboratory testing services	69,236,330	58,698,675	–	–
	99,192,978	89,174,737	–	–
Other revenue				
Rental income	2,819,790	2,860,903	3,278,860	3,313,605
Dividend income from subsidiaries	–	–	7,080,000	7,080,000
	2,819,790	2,860,903	10,358,860	10,393,605
Total revenue	102,012,768	92,035,640	10,358,860	10,393,605
Revenue by geographical				
- Malaysia	78,065,388	67,292,223	–	–
- Indonesia	12,766,210	13,024,436	–	–
- Saudi	11,181,170	11,718,981	–	–
	102,012,768	92,035,640	–	–
Timing of recognition				
Services transferred at a point in time	94,750,930	79,320,596	–	–
Services transferred over time	4,442,048	9,854,141	–	–
	99,192,978	89,174,737	–	–

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Group	
	2024 RM	2023 RM
Trade receivables (Note 18)	32,064,165	30,062,478
Contract assets (Note 19)	1,506,057	2,960,124
Contract liabilities (Note 19)	(278,692)	(1,050,089)
	33,291,530	31,972,513

NOTE TO THE FINANCIAL STATEMENTS
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4. REVENUE (CONT'D.)

Contract balances (cont'd.)

Contract assets primarily relates to the Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when rights become unconditional. Contract liabilities primarily relate to the advance consideration received from the customer, for which revenue is recognised over time when the Group progressively satisfies its performance obligations. The significant decrease in contract assets in 2024 is the result of the decrease in ongoing installation services at the end of the year.

Transaction price allocated to the remaining performance obligations

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2024 RM	Group 2023 RM
Environmental consultancy and monitoring services		
Within 1 year	8,372,987	21,855,578
1 to 5 years	27,178,758	1,000,468
	35,551,745	22,856,046

5. COST OF SALES

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Provision of services	36,473,004	28,586,631	–	–
Construction contracts	3,059,647	9,264,908	–	–
Direct operating expenses arising from investment properties	1,520,859	1,438,636	1,520,859	1,438,636
	41,053,510	39,290,175	1,520,859	1,438,636

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



6. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit income from deposits	655,575	683,376	163,186	147,671
Profit income from intercompany loans	–	–	1,788,469	1,600,427
Net gain on disposal of property, plant and equipment	–	1,211,626	5,773	–
Realised foreign exchange gain	–	24,724	–	10,155
Unrealised foreign exchange gain	–	1,670,765	–	–
Gain on termination of leases	74,727	103,028	–	–
Fair value gain on other current financial assets	34,702	234,344	447	446
Information technology support services	568,356	431,637	–	–
Profit from shared service and management fee	249,741	230,592	249,741	230,592
Bad debt recovered	170,585	–	–	–
Others	215,877	146,217	87,202	80,414
	1,969,563	4,736,309	2,294,818	2,069,705

7. STAFF COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, bonus and other emoluments	21,743,206	19,426,524	1,886,652	1,413,532
Social security cost	481,558	506,450	39,130	34,689
Pension costs:				
- defined contribution plan	2,339,396	2,587,889	629,918	708,960
- defined benefit plan (Note 24)	446,299	468,643	–	–
Other staff related expenses	4,208,258	1,921,777	998,628	644,136
	29,218,717	24,911,283	3,554,328	2,801,317

Included in staff costs of the Group and of the Company are Executive Directors' and Non-Executive Directors' remuneration amounting to RM2,521,744 and RM2,439,544 (2023: RM2,507,565 and RM2,447,415) respectively as further disclosed in Note 8.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



8. DIRECTORS' REMUNERATION

The details of remuneration receivable by Directors of the Company during the year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive:				
Salaries and other emoluments	954,779	954,743	954,779	954,743
Pension costs:				
- defined contribution plan	196,366	196,366	196,366	196,366
Retirement benefits:				
- defined contribution plan	157,219	157,219	157,219	157,219
Fees	618,322	597,102	585,922	576,852
Bonus	79,500	79,500	79,500	79,500
Benefits-in-kind	76,274	74,235	76,274	74,235
	2,082,460	2,059,165	2,050,060	2,038,915
Non-executive:				
Fees	213,284	190,400	163,484	150,500
Other remuneration	226,000	258,000	226,000	258,000
	439,284	448,400	389,484	408,500
Total	2,521,744	2,507,565	2,439,544	2,447,415

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2024	2023
Executive Directors:		
RM550,001 - RM650,000	1	1
RM1,450,001 - RM1,500,000	1	1
Non-Executive Directors:		
RM20,001 - RM45,000	2	2
RM45,001 - RM100,000	2	2
RM100,001 - RM150,000	2	2
Total directors	8	8

NOTE TO THE FINANCIAL STATEMENTS
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(CONT'D.)



9. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit charges on:				
Overdraft	1,352,551	1,356,340	1,302,275	1,303,353
Revolving credit	589,762	1,189,885	506,158	492,940
Advance from subsidiaries	–	–	505,999	502,726
Hire purchase	34,528	331,180	–	7,806
Finance costs on lease obligations	66,441	52,869	16,737	4,996
Trust receipt	82,337	84,627	–	–
Term loan	3,882,006	1,936,774	–	–
	6,007,625	4,951,675	2,331,169	2,311,821

10. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is stated after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
Statutory audits				
- Company's auditors	342,000	467,000	95,000	98,000
- Other auditors	140,685	121,796	–	–
Other services				
- Company's auditors	10,000	8,000	10,000	8,000
Depreciation of property, plant and equipment	5,830,305	6,162,017	348,126	461,455
Amortisation of investment properties	714,671	714,671	714,671	714,671
Short-term leases (a)	784,990	666,091	–	–
Low value asset leases (b)	160,593	79,656	–	–
Foreign exchange loss/(gain)				
- realised	93,979	–	–	–
- unrealised	803,381	(1,670,765)	–	–
(Reversal of impairment)/ Impairment of receivables				
- trade receivables	(197,515)	1,531,779	–	–
- other receivables	–	–	4,343,342	–
Impairment of investment in a subsidiary	–	–	6,056,099	–
Loss/(gain) on disposal of property, plant and equipment	10,818	(1,211,626)	(5,773)	–
Property, plant and equipment written off	18,352	219	–	217
Zakat	464,635	516,583	–	–

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(CONT'D.)



10. PROFIT/(LOSS) BEFORE TAX (CONT'D.)

- (a) The Group leases office space and motor vehicles with contract terms of 1 year. This leases are short-term. The Group have elected not to recognise rights of use asset and lease liabilities for this lease.
- (b) The Group and the Company lease photocopier machines with contract terms of 5 years. This leases are leases of low value asset. The Group and the Company have elected not to recognise rights of use asset and lease liabilities for this lease.

11. TAXATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Income tax:				
Malaysian income tax	5,639,146	4,762,779	–	–
Foreign income tax	456,461	923,747	–	–
Over provision in prior year	(223,649)	(30,198)	–	(17,537)
	5,871,958	5,656,328	–	(17,537)
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	(521,800)	(2,043,649)	–	–
(Over)/Under provision in prior year	(85,249)	113,275	–	–
	(607,049)	(1,930,374)	–	–
Income tax expense/(credit) recognised in profit or loss	5,264,909	3,725,954	–	(17,537)

Domestic current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for foreign subsidiaries are calculated at the current rates prevailing in each respective countries.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



11. TAXATION (CONT'D.)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(loss) before tax	8,973,781	6,330,819	(7,395,118)	4,010,020
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	2,153,707	1,519,397	(1,774,828)	962,405
Effect of taxation in other country	(41,900)	214,738	–	–
Effect of income not subject to tax	(157,909)	(548,919)	(2,060,062)	(2,118,744)
Effect of expenses not deductible for tax purposes	2,202,847	884,496	3,435,890	879,898
Overprovision of income tax in prior year	(223,649)	(30,198)	–	(17,537)
Deferred tax recognition on withholding tax on foreign dividend	(128,638)	(155,299)	–	–
(Over)/Under provision of deferred taxation in prior year	(85,249)	113,275	–	–
Movement of deferred tax asset not recognised	1,545,700	1,728,464	399,000	276,441
Income tax expense/(credit) recognised in profit or loss	5,264,909	3,725,954	–	(17,537)

12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing loss for the year attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the financial year (excluding treasury shares).

	2024	2023
Loss attributable to ordinary equity holders of the Company (RM)	(4,022,259)	(3,581,998)
Number of ordinary shares for basic earnings per share computation	655,371,100	655,371,100
Basic earnings per share (sen)	(0.61)	(0.55)

* The number of shares takes into account the effect of changes in treasury shares transactions during the year.

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12. EARNINGS PER SHARE (CONT'D.)

(b) Diluted

Diluted EPS equals to basic EPS as there is no dilutive potential ordinary shares outstanding in the current and previous financial years.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM	Plant and machinery RM	Motor vehicles* RM	Office equipment, renovation, furniture and fittings RM	Total RM
2024					
Cost					
At 1 January 2024	21,596,523	43,020,253	10,435,793	28,820,011	103,872,580
Additions	245,637	4,453,460	563,174	983,725	6,245,996
Disposals	–	(522,705)	(334,263)	(1,516,305)	(2,373,273)
Write off/ Termination of lease	(609,751)	–	(1)	(1,049,684)	(1,659,436)
Exchange differences	(444,417)	(813,714)	(274,316)	(211,559)	(1,744,006)
At 31 December 2024	20,787,992	46,137,294	10,390,387	27,026,188	104,341,861
Accumulated depreciation					
At 1 January 2024	5,829,232	26,597,554	6,435,493	24,596,587	63,458,866
Charge for the year	453,295	2,761,930	1,407,878	1,207,202	5,830,305
Disposals	–	–	(256,886)	(181,356)	(438,242)
Write off/ Termination of lease	(410,386)	–	–	(1,031,333)	(1,441,719)
Exchange differences	(213,994)	(435,537)	(199,094)	(188,469)	(1,037,094)
At 31 December 2024	5,658,147	28,923,947	7,387,391	24,402,631	66,372,116
Accumulated impairment					
At 1 January/ 31 December 2024	–	458,471	–	39,960	498,431
Net carrying amount					
At 31 December 2024	15,129,845	16,754,876	3,002,996	2,583,597	37,471,314

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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (cont'd.)	Land and buildings* RM	Plant and machinery RM	Motor vehicles* RM	Office equipment, renovation, furniture and fittings RM	Total RM
2023					
Cost					
At 1 January 2023	21,144,125	45,973,626	12,787,160	26,489,785	106,394,696
Acquisition of a subsidiary (Note 16 (d))	1,279,094	–	10,884	1,860,577	3,150,555
Additions	–	149,377	1,864,407	3,049,861	5,063,645
Disposals	(13,500)	(3,254,513)	(4,390,616)	(3,158,881)	(10,817,510)
Write off/ Termination of lease	(925,316)	–	(52,892)	(30,425)	(1,008,633)
Exchange differences	112,120	151,763	216,850	609,094	1,089,827
At 31 December 2023	21,596,523	43,020,253	10,435,793	28,820,011	103,872,580
Accumulated depreciation					
At 1 January 2023	5,178,852	29,268,965	8,117,488	23,602,076	66,167,381
Charge for the year	561,490	472,544	1,658,183	3,469,800	6,162,017
Disposals	(13,500)	(3,254,513)	(3,507,916)	(2,940,426)	(9,716,355)
Write off/ Termination of lease	–	–	(52,890)	(30,208)	(83,098)
Exchange differences	102,390	110,558	220,628	495,345	928,921
At 31 December 2023	5,829,232	26,597,554	6,435,493	24,596,587	63,458,866
Accumulated impairment					
At 1 January/ 31 December 2023	–	458,471	–	39,960	498,431
Net carrying amount					
At 31 December 2023	15,767,291	15,964,228	4,000,300	4,183,464	39,915,283

* Included the right-of-use assets which details shown in Note 14.

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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Buildings* RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Total RM
Company 2024				
Cost				
At 1 January 2024	483,489	489,085	3,327,836	4,300,410
Additions	245,637	–	287,408	533,045
Disposals	–	–	(144,412)	(144,412)
Write off/ Termination of lease	(84,372)	–	–	(84,372)
At 31 December 2024	644,754	489,085	3,470,832	4,604,671
Accumulated depreciation				
At 1 January 2024	237,125	489,084	2,668,930	3,395,139
Charge for the year	88,844	–	259,282	348,126
Disposals	–	–	(138,664)	(138,664)
Write off/ Termination of lease	(75,885)	–	–	(75,885)
At 31 December 2024	250,084	489,084	2,789,548	3,528,716
Net carrying amount				
At 31 December 2024	394,670	1	681,284	1,075,955
2023				
Cost				
At 1 January 2023	462,285	489,085	2,885,894	3,837,264
Additions	21,204	–	462,158	483,362
Write off	–	–	(20,216)	(20,216)
At 31 December 2023	483,489	489,085	3,327,836	4,300,410
Accumulated depreciation				
At 1 January 2023	185,190	416,995	2,351,498	2,953,683
Charge for the year	51,935	72,089	337,431	461,455
Write off	–	–	(19,999)	(19,999)
At 31 December 2023	237,125	489,084	2,668,930	3,395,139
Net carrying amount				
At 31 December 2023	246,364	1	658,906	905,271

* Included the right-of-use assets which details shown in Note 14.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(a) Motor vehicles

Included in the property, plant and equipment of the Group and of the Company are assets held under hire purchase agreements with net book values as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Motor vehicles	128,768	246,305	–	1
Plant and machinery	468,668	–	–	–
	597,436	246,305	–	1

14. LEASES

The Group and the Company as a lessee:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Right-of-use assets:				
Properties	216,766	343,219	170,387	14,099
Motor vehicles	414,796	692,643	–	–
	631,562	1,035,862	170,387	14,099
Lease obligations (secured):				
Non-current	269,543	565,127	86,728	–
Current	354,424	596,135	88,659	14,655
	623,967	1,161,262	175,387	14,655

The leases of properties and motor vehicles are typically made for period from 1 to 5 years. The lessors do not impose any covenants.

(i) The movement in right-of-use assets are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	1,035,862	188,327	14,099	36,848
Acquisition of subsidiary (Note 16 (d))	–	1,279,094	–	–
Addition	267,435	818,731	245,637	21,204
Termination	(199,365)	(925,316)	(8,487)	–
Depreciation	(463,626)	(306,107)	(80,862)	(43,953)
Exchange differences	(8,744)	(18,867)	–	–
At 31 December	631,562	1,035,862	170,387	14,099

NOTE TO THE FINANCIAL STATEMENTS
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14. LEASES (CONT'D.)

The Group and the Company as a lessee: (cont'd.)

(ii) The movement in lease obligations (fixed lease payments) are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January	1,161,262	200,032	14,655	37,885
Acquisition of subsidiary (Note 16 (d))	–	1,466,351	–	–
Addition	267,435	818,731	245,637	21,204
Termination	(274,092)	(1,028,344)	(8,487)	–
Lease payment	(588,336)	(329,568)	(93,155)	(49,430)
Finance cost	66,441	52,869	16,737	4,996
Exchange differences	(8,743)	(18,809)	–	–
At 31 December	623,967	1,161,262	175,387	14,655

The profit rate at the reporting date of the leases were as follows:

	Group		Company	
	2024	2023	2024	2023
Profit rate	5 - 8%	5 - 8%	8%	8%

The lease payments associated with short-term leases or leases of low value assets are expensed off on a straight-line basis over the lease term. No right-of-use assets and lease obligations are recognised for these leases.

15. INVESTMENT PROPERTIES

The investment properties include properties that are owned by the Group and the Company and that are held as right-of-use assets.

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cost				
At 1 January/ 31 December	43,803,446	43,803,446	46,128,361	46,128,361
Accumulated depreciation				
At 1 January	8,606,967	7,892,296	6,937,984	6,223,313
Charge for the year	714,671	714,671	714,671	714,671
At 31 December	9,321,638	8,606,967	7,652,655	6,937,984
Net carrying amount	34,481,808	35,196,479	38,475,706	39,190,377



15. INVESTMENT PROPERTIES (CONT'D.)

Certain investment and properties of the Group and the Company with carrying amount of RM34,250,353 and RM38,244,250 (2023: RM34,929,648 and RM38,923,545) respectively are pledged to secure bank loans (Note 23).

The valuation of office and warehouse and freehold land has been performed by an independent professional valuer. The total market value of the investment properties is RM52,000,000 (2023: RM52,000,000) using income and comparison approach.

The valuation of shop lot and the agricultural land are estimated by the Directors using comparison approach. The market values of the shop lot and agricultural land are RM833,000 and RM2,955,000 (2023: RM926,446 and RM3,378,518) respectively.

The investment property is valued at its highest and current best use.

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15. INVESTMENT PROPERTIES (CONT'D.)

Fair value disclosed in the financial statements is categorised within the Level 3 fair value hierarchy which is described as inputs for the asset that are based on unobservable market data.

Investment property	Market value RM	Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value
				2024 RM	2023 RM	
Jalan Astaka U8/84 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan	52,000,000	Income approach	<u>Office & Warehouse</u>			
			Market rental rate (RM psf/month)	1.40 - 2.40	1.40 - 2.40	- expected market rental growth were higher/(lower)
			Outgoings (RM psf/month)	0.48 - 0.49	0.48 - 0.49	- expected outgoings rate were lower/(higher)
			Term yield (%)	6.5%	6.5%	- term yield were lower/(higher)
			Void rate (%)	10%	10%	- void rate were lower/(higher)
No.18 Jalan Liku 8/B, Section 8, 40000, Shah Alam, Selangor Darul Ehsan	833,000	Comparison approach	Reversionary yield (%)	7%	7%	- reversionary yield were lower/(higher)
			<u>Freehold land</u>			
			Transaction land price (RM psf)	320	320	- transacted price were higher/(lower)
H.S. (D) 9844, PT 7605 Mukim of Lumut, District of Manjung, Perak	2,955,000	Comparison approach	<u>Shop lot (leasehold)</u>			
			Building costs (RM psf)	250 - 281	275 - 281	- transacted price were higher/(lower)
			<u>Agricultural land (leasehold)</u>			
			Transaction land price (RM'000/acre)	120 - 160	150 - 200	- transacted price were higher/(lower)

The estimated fair value would increase/(decrease) if:

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16. INVESTMENT IN SUBSIDIARIES

	Company 2024 RM	2023 RM
Cost		
At 1 January	68,283,922	63,283,922
Addition (Note (a))	4,200,000	5,000,000
At 31 December	72,483,922	68,283,922
Accumulated impairment		
At 1 January	42,650,536	42,650,536
Impairment recognised	6,056,099	–
At 31 December	48,706,635	42,650,536
Net carrying amount	23,777,287	25,633,386

(a) Additional investment in a subsidiary

The Company subscribed 4,200,000 (2023: 5,000,000) new ordinary shares in Alam Sekitar Malaysia Sdn. Bhd. while maintaining its 100% equity interest by way of capitalisation of amount due from the subsidiary amounting RM4,200,000 (2023: RM5,000,000).

(b) The details of the subsidiaries are as follows:

Name of subsidiaries	Ownership interest and voting interest		Principal place of business	Principal activities
	2024 %	2023 %		
Held by the Company:				
Alam Sekitar Malaysia Sdn. Bhd. ("ASMA")	100	100	Malaysia	Provision of environmental, consultancy and monitoring services and wastewater management
ALS Technichem (M) Sdn. Bhd. ("ALS")	59	59	Malaysia	Chemical testing consultancy services and other services in similar nature
ASMA International Sdn. Bhd. ^(b)	100	100	Malaysia	Investment holding company
Vertical Plus Sdn. Bhd. ^(b)	100	100	Malaysia	Dormant
Saudi ASMA Environmental Solution LLC ("Saudi Asma") ^(a)	100*	100*	Kingdom of Saudi Arabia	Provision of environmental consultancy and monitoring services
ASMA Advanced Solutions Co Ltd. ("AAS") ^(a)	60	60	Kingdom of Saudi Arabia	Work and maintenance of desalination plants and sewage

NOTE TO THE FINANCIAL STATEMENTS
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16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) The details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Ownership interest and voting interest		Principal place of business	Principal activities
	2024	2023		
	%	%		
Held by ASMA:				
ASMA Environmental Consultancy Sdn. Bhd. ^(b)	100	100	Malaysia	Environmental training and consulting services
Alam Sekitar Eco-Technology Sdn. Bhd. ("ASET") ^(b)	90	90	Malaysia	Provision of waste management and consultancy services
Held by ALS:				
ALS Technichem (PG) Sdn. Bhd. ("ALS PG") ^(b) (Note (d))	100	100	Malaysia	Providing chemical, microbiological and environmental related analytical testing and consultancy services
PT ALS Indonesia ("PT ALS") ^(b)	80	80	Indonesia	Laboratory analysis and reports and consulting services

* Including effective interest rate of 49% held through AAS.

^(a) Audited by a member firm of Grant Thornton International Ltd.

^(b) Audited by firms other than member firm of Grant Thornton International Ltd.

(c) Impairment of investment in subsidiaries

An impairment review of the carrying amounts of investment in subsidiaries at the reporting date was undertaken by comparing it to the respective recoverable amounts. The losses reported by the two subsidiaries within the Group indicated the carrying amounts of the investment in these subsidiaries may be impaired.

The Company estimated the recoverable amounts of its cash generating units ("CGUs") based on value-in-use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the investment in these subsidiaries, and discounting them at the appropriate rates. The significant judgement and estimates are involved in the assessment of these recoverable amount.

(i) Saudi Asma

Key assumptions and value-in-use calculation

The recoverable amount of the CGU is determined using value-in-use method based on cash flow projection derived from financial projections approved by management.



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(c) Impairment of investment in subsidiaries (cont'd.)

(i) Saudi Asma (cont'd.)

Key assumptions and value-in-use calculation (cont'd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment assessment of investment in Saudi Asma:

(a) Discount rate

The pre-tax discount rate of 10.5% (2023: 17.1%) is based on the risk specific to the CGU.

(b) Terminal growth rate

Cash flow beyond the five-year period are extrapolated using growth rate of 2.3% (2023: 1.7%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

During the financial year, an impairment loss amounting to RM6,056,099 was recognised in the operating expenses as the carrying amount of the investment in Saudi Asma of RM6,056,099 exceeded its recoverable amount due to the losses reported by the subsidiary.

(ii) ASMA

Key assumptions and value-in-use calculation

The recoverable amount of the CGU is determined using value-in-use method based on cash flow projection derived from financial projections approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment assessment of investment in ASMA:

(a) Discount rate

The pre-tax discount rate of 14.5% (2023: 17.8%) is based on the risk specific to the CGU.

(b) Terminal growth rate

Cash flow beyond the five-year period are extrapolated using growth rate 2.0% (2023: 2.5%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

(d) Acquisition of a subsidiary

On 29 September 2023, the Company acquired 100% of the ordinary shares of ALS Technichem (PG) Sdn. Bhd. ("ALS PG"), a non-listed company incorporated in Malaysia for a final consideration amounting RM3.4 million to expand the Company's market presence.

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16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(d) Acquisition of a subsidiary (cont'd.)

Asset acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of ALS PG as at the date of acquisition were:

	Fair value recognised on acquisition RM
Assets	
Property, plant and equipment	1,871,461
Right-of-use assets	1,279,094
Inventories	6,622
Trade receivables	1,715,864
Tax recoverable	448
Cash and cash equivalents	810,445
	5,683,934
Liabilities	
Lease liabilities	1,466,351
Trade payables and other payables	6,918,406
	8,384,757
Total identifiable net liabilities at fair value	(2,700,823)
Goodwill arising on acquisition (Note 17)	6,090,536
	3,389,713
Final consideration	3,389,713

The cash effects on the acquisition is as follows;

	Cash flow on acquisition RM
Net cash acquired with the subsidiary	810,445
Cash paid	(598,000)
Net cash flow on acquisition	212,445

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16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Non-controlling interests ("NCI")

	AAS RM	ALS Group* RM	ASET RM	Total RM
2024				
NCI percentage of ownership and voting interest	40%	41%	10%	
Carrying amount of NCI	(2,972,974)	37,481,119	(359,547)	34,148,598
(Loss)/profit allocated to NCI	(68,107)	7,810,048	(10,810)	7,731,131
2023				
NCI percentage of ownership and voting interest	40%	41%	10%	
Carrying amount of NCI	(2,904,867)	35,696,585	(348,737)	32,442,981
(Loss)/profit allocated to NCI	(27,132)	6,229,427	(15,432)	6,186,863

* ALS held 80% ownership interest and voting interest of PT ALS Indonesia, remaining 20% held by NCI.

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss and other comprehensive (loss)/income:

	AAS RM	ALS Group RM	ASET RM
31 December 2024			
Revenue	–	70,637,493	–
(Loss)/profit for the year	(170,266)	18,249,585	(108,098)
Total comprehensive (loss)/income	(170,266)	17,425,445	(108,098)
31 December 2023			
Revenue	–	59,692,235	245,068
(Loss)/profit for the year	(67,831)	14,992,784	(154,318)
Total comprehensive (loss)/income	(67,831)	16,070,435	(154,318)

NOTE TO THE FINANCIAL STATEMENTS
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(CONT'D.)



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Non-controlling interests ("NCI") (cont'd.)

Summarised statement of financial position:

	AAS RM	ALS Group RM	ASET RM
31 December 2024			
Non-current assets	–	45,136,886	285
Current assets	99	58,951,959	956,072
Non-current liabilities	–	(2,031,620)	–
Current liabilities	(6,678,483)	(18,728,152)	(1,299,923)
Net (liabilities)/assets	(6,678,384)	83,329,073	(343,566)
31 December 2023			
Non-current assets	–	46,624,840	1,111
Current assets	102	61,640,867	1,028,321
Non-current liabilities	–	(3,174,028)	–
Current liabilities	(6,692,632)	(26,647,391)	(1,264,900)
Net (liabilities)/assets	(6,692,530)	78,444,288	(235,468)

Summarised statement of cash flows:

	AAS RM	ALS Group RM	ASET RM
31 December 2024			
Cash flows from operating activities	(2,106,240)	8,919,580	(30,748)
Cash flows from investing activities	–	8,336,884	–
Cash flows from financing activities	2,448,800	(13,682,837)	–
Net increase/(decrease) in cash and cash equivalents	342,560	3,573,627	(30,748)
Dividend paid to NCI	–	(5,460,660)	–

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(CONT'D.)



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Non-controlling interests ("NCI") (cont'd.)

Summarised statement of cash flows: (cont'd.)

	AAS RM	ALS Group RM	ASET RM
31 December 2023			
Cash flows from operating activities	(2,106,240)	19,340,131	20,146
Cash flows from investing activities	–	1,702,889	–
Cash flows from financing activities	2,448,800	(12,969,234)	–
Net increase in cash and cash equivalents	342,560	8,073,786	20,146
Dividend paid to NCI	–	(5,662,568)	–

17. GOODWILL ON CONSOLIDATION

	2024 RM	Group 2023 RM
At 1 January	19,674,062	13,583,526
Add: Acquired through business combination	–	6,090,536
Less: Accumulated impairment	(12,722,554)	(12,722,554)
At 31 December	6,951,508	6,951,508

Goodwill has been allocated to the Group's CGU identified by business segment and country as follows:

	2024 RM	Group 2023 RM
Lab testing services - Indonesia	860,972	860,972
Lab testing services - Malaysia	6,090,536	6,090,536

(a) Impairment test for goodwill

The Group performed a review on the recoverable amount of goodwill on consolidation during the year. The recoverable amount is based on value-in-use for the CGUs to which the goodwill is allocated.

NOTE TO THE FINANCIAL STATEMENTS
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17. GOODWILL ON CONSOLIDATION (CONT'D.)

(a) Impairment test for goodwill (cont'd.)

Key assumptions used in value-in-use calculations

The recoverable amount of the CGU is determined using value-in-use method based on cash flow projection derived from financial projections approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) PT ALS Indonesia

(a) Discount rate

The pre-tax discount rate used is 11.8% (2023: 17.2%) based on the risk specific to the CGU.

(b) Terminal growth rate

Cash flow beyond the five-year period is extrapolated using a growth rate of 3.4% (2023: 3.4%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

(ii) ALS Technichem (PG) Sdn. Bhd.

(a) Discount rate

The pre-tax discount rate used is 8.8% (2023: 14.8%) based on the risk specific to the CGU.

(b) Terminal growth rate

Cash flow beyond the five-year period is extrapolated using a growth rate of 2.0% (2023: 2.5%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables (Note (a)):				
Current				
Third parties	33,902,141	31,633,045	168,551	85,526
Immediate holding company	144,415	54,334	144,415	55,931
Subsidiaries	—	—	482,393	12,432
Related parties	299,121	899,912	84,616	25,435
Dividend receivable	—	—	2,540,000	3,540,000
	34,345,677	32,587,291	3,419,975	3,719,324
Less: Allowance for impairment	(2,281,512)	(2,524,813)	—	—
	32,064,165	30,062,478	3,419,975	3,719,324

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18. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables (Note (b)):				
Non current				
Amount due from a subsidiary	–	–	26,122,848	24,376,596
Less: Allowance for impairment	–	–	(4,229,000)	–
	–	–	21,893,848	24,376,596
Current				
Amounts due from related companies (Note (c)):				
- Immediate holding company	2,245,407	1,306,544	2,149,447	1,306,543
- Subsidiaries	–	–	6,049,194	7,824,500
- Related parties	735,231	1,018,748	191,174	230,735
Deposits	1,950,789	1,300,437	185,580	185,580
Prepayments (Note (d))	2,859,042	4,017,957	171,148	250,639
Sundry receivables	4,578,585	787,652	2,445	22,521
	12,369,054	8,431,338	8,748,988	9,820,518
Less: Allowance for impairment				
- related companies	–	–	(4,131,374)	(4,017,032)
- sundry receivables	(9,938)	(9,938)	(9,938)	(9,938)
	(9,938)	(9,938)	(4,141,312)	(4,026,970)
	12,359,116	8,421,400	4,607,676	5,793,548
	44,423,281	38,483,878	29,921,499	33,889,468
Total current	44,423,281	38,483,878	8,027,651	9,512,872
Total non current	–	–	21,893,848	24,376,596
Total trade and other receivables	44,423,281	38,483,878	29,921,499	33,889,468
Add: Cash and bank balances (Note 21)	44,644,034	39,036,854	8,398,725	8,091,264
Less: Prepayments (Note (d))	(2,859,042)	(4,017,957)	(171,148)	(250,639)
Dividend receivable	–	–	(2,540,000)	(3,540,000)
Total financial assets carried at amortised cost	86,208,273	73,502,775	35,609,076	38,190,093

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a Credit Control Department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

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18. TRADE AND OTHER RECEIVABLES (CONT'D.)

Ageing analysis of trade receivables (third parties)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Neither past due nor impaired	16,886,768	7,345,565	38,724	38,738
1 to 30 days past due not impaired	4,120,654	6,558,517	27,662	36,588
31 to 60 days past due not impaired	2,968,516	5,034,275	4,500	5,700
61 to 90 days past due not impaired	2,483,797	2,949,447	4,500	4,500
91 to 120 days past due not impaired	1,564,323	1,593,783	4,500	–
More than 121 days past due not impaired	3,596,571	5,626,645	88,665	–
Impaired	14,733,861	21,762,667	129,827	46,788
	2,281,512	2,524,813	–	–
	33,902,141	31,633,045	168,551	85,526

(a) Trade receivables

Movement in allowance accounts

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	2,524,813	993,034	–	–
Charge	756,494	1,531,779	–	–
Recovered	(954,009)	–	–	–
Written off	(42,268)	–	–	–
Translations differences	(3,518)	–	–	–
At 31 December	2,281,512	2,524,813	–	–

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Movement in allowance accounts

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	9,938	9,938	4,026,970	4,026,970
Charge	–	–	4,343,342	–
At 31 December	9,938	9,938	8,370,312	4,026,970

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTE TO THE FINANCIAL STATEMENTS
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18. TRADE AND OTHER RECEIVABLES (CONT'D.)

(c) Amounts due from related companies

Amounts due from all related companies are repayable on demand and are non-interest bearing except for amount due from subsidiaries which bears finance cost ranging between 4.6% to 7.7% (2023: 4.3% to 7.7%) per annum. All related party receivables are unsecured and are to be settled in cash.

Related parties refer to companies related to ZSB, an immediate holding company.

Further details on related party transactions are disclosed in Note 29.

Other information on financial risks of other receivables are disclosed in Note 31.

(d) Prepayments

Included in the prepayment of the Group is an amount of RM463,622 (10% of the purchase considerations amounted to RM475,830 with a discount received of RM12,208) paid for the sales and purchase agreement entered into on 29 November 2024 for purchase of a piece of land with a total purchase considerations of RM4,758,300. The remaining amount of the Group's capital commitment amounted to RM4,282,470 is to be settled upon completion of the said purchase transaction.

19. CONTRACT ASSETS/(LIABILITIES)

	2024 RM	Group 2023 RM
At 1 January	1,910,035	985,214
Revenue recognised during the year (Note 4)	4,442,048	9,854,141
Billings during the year	(5,124,718)	(8,929,320)
At 31 December	1,227,365	1,910,035
<i>Presented as:</i>		
Contract assets	1,506,057	2,960,124
Contract liabilities	(278,692)	(1,050,089)
	1,227,365	1,910,035

20. OTHER CURRENT FINANCIAL ASSETS

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Held for trading investments				
Quoted investment in units and money market fund, at fair value through profit or loss	4,894,613	15,869,464	13,563	13,116

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21. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash on hand and at banks	32,584,655	27,563,344	210,538	66,263
Deposits with licensed banks	12,059,379	11,473,510	8,188,187	8,025,001
	44,644,034	39,036,854	8,398,725	8,091,264

Deposits with licensed bank of the Group and the Company amounting to RM12,059,379 and RM8,188,187 (2023: RM11,473,510 and RM8,025,001) is pledged as securities for trade facilities.

- (a) The weighted average effective profit rates of the deposits at the reporting date were as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Licensed banks	2.02	1.94	2.03	1.86

- (b) The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2024 Days	2023 Days	2024 Days	2023 Days
Licensed banks	30-365	30-365	30	30

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties (Note (a))	11,067,190	6,911,940	248,393	172,494
Other payables				
Amounts due to related companies (Note (b)):				
- Immediate holding company	1,080	-	1,080	-
- Related parties	1,909,110	2,651,009	55,691	10,883
Amount due to subsidiary (Note (c))	-	-	11,137,158	11,115,770
Accruals	10,039,939	10,904,262	612,069	471,117
Dividend payable	3,216,924	2,460,000	-	-
Sundry payables	3,657,611	11,343,123	1,329,687	1,479,210
Gratuity payable	1,979,596	1,822,377	1,979,596	1,822,377
	20,804,260	29,180,771	15,115,281	14,899,357

NOTE TO THE FINANCIAL STATEMENTS
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22. TRADE AND OTHER PAYABLES (CONT'D.)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables (cont'd.)				
Total trade and other payables	31,871,450	36,092,711	15,363,674	15,071,851
Add: Borrowings (Note 23)	62,738,941	58,885,603	28,886,995	28,191,011
Lease obligations (Note 14)	623,967	1,161,262	175,387	14,655
Less: Dividend payable	(3,216,924)	(2,460,000)	–	–
Total financial liabilities carried at amortised cost	92,017,434	93,679,576	44,426,056	43,277,517

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 90 days (2023: from 30 days to 90 days).

(b) Amounts due to related companies

Amounts due to all related companies are repayable on demand. These amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 29.

Other information on financial risks of other payables are disclosed in Note 31.

(c) Amount due to a subsidiary

Advance due to a subsidiary is non trade, unsecured and bears finance cost at 4.61% (2023: 4.52%) per annum.

23. BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Secured*:				
Hire purchase (Note (a))	315,147	90,417	–	–
Overdraft	18,599,157	17,695,724	17,886,995	17,191,011
Revolving credit (Note (b))	22,069,677	22,070,310	11,000,000	11,000,000
Term loan	18,984,567	15,761,373	–	–
	59,968,548	55,617,824	28,886,995	28,191,011

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23. BORROWINGS (CONT'D.)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current (cont'd.)				
Unsecured:				
Revolving credit (Note (b))	1,200,000	1,725,380	–	–
Trust receipt	1,427,404	1,340,982	–	–
	2,627,404	3,066,362	–	–
	62,595,952	58,684,186	28,886,995	28,191,011
Non-Current				
Secured:				
Hire purchase (Note (a))	142,989	201,417	–	–
Total borrowings	62,738,941	58,885,603	28,886,995	28,191,011

* The borrowings are secured by investment properties and fixed deposits which disclosed in Note 15 and Note 21 to the financial statements.

(a) Hire purchase

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease payments				
Not later than 1 year	338,996	90,417	–	–
Later than 1 year and not later than 2 years	124,162	97,380	–	–
Later than 2 years and not later than 5 years	22,487	132,768	–	–
	485,645	320,565	–	–
Less: Future finance charges	(27,509)	(28,731)	–	–
Present value of finance lease liabilities	458,136	291,834	–	–
Present value of finance lease liabilities:				
Not later than 1 year	315,147	90,417	–	–
Later than 1 year and not later than 2 years	120,976	93,435	–	–
Later than 2 years and not later than 5 years	22,013	107,982	–	–
	458,136	291,834	–	–
Analysed as:				
Due within 12 months	315,147	90,417	–	–
Due after 12 months	142,989	201,417	–	–
	458,136	291,834	–	–

NOTE TO THE FINANCIAL STATEMENTS
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23. BORROWINGS (CONT'D.)

(b) Revolving credit

In prior financial year, one of the subsidiaries within the Group has breached a financial covenant of its bank loan. The subsidiary The Company did not fulfill the requirement to maintain gearing ratio at 2.8 for its revolving credit facility. The bank is contractually entitled to request for immediate repayment of the outstanding loan amounting RM11,000,000 in the event of breach of covenant. On 20 November 2023, the bank has consented to the indulgence for non-compliance and the banking facility remained unchanged and enforceable for financial year 2023. The subsidiary is able to meet the financial covenant during the financial year.

The weighted average effective profit rate at the reporting date of the borrowings were as follows:

	Group		Company	
	2024	2023	2024	2023
	%	%	%	%
Hire purchase	4.42	5.56	–	–
Overdraft	7.45	7.62	7.70	7.60
Revolving credit	4.74	4.69	4.61	4.55
Term loan	9.47	9.89	–	–
Trust receipt	6.64	6.64	–	–

24. RETIREMENT BENEFIT OBLIGATION

The amount recognised in the statements of financial position are determined as follows:

	Group	
	2024	2023
	RM	RM
Non-current		
Present value of obligation/Net liability	1,880,852	1,777,446
Movement in net liability was as follows:		
At 1 January	1,777,446	1,744,547
Provision during the year (Note 7)	446,299	468,643
Payment made during the year	(126,880)	(634,211)
Actuarial loss/(gain) on retirement benefit	(120,160)	167,779
Exchange difference	(95,853)	30,688
As at 31 December	1,880,852	1,777,446
The amount recognised in the statements of comprehensive income:		
Current service cost	446,299	468,643

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24. RETIREMENT BENEFIT OBLIGATION (CONT'D.)

The following are the expected payments or contributions to the defined benefit plan in future years:

	Group	
	2024 RM	2023 RM
Between 2 and 5 years	1,167,821	1,383,980
Between 5 and 10 years	1,001,606	1,153,308
Total expected payments	2,169,427	2,537,288

The carrying amount of retirement benefit obligation at year end for PT ALS and Saudi Asma amounting to RM1,074,273 and RM806,579 (2023: RM1,044,505 and RM732,941) respectively.

Actuarial assumptions

The principal assumptions used in determining pension and post retirement benefit obligation for the Group's plans are shown below:

	PT ALS		Saudi Asma	
	2024	2023	2024	2023
Discount rate	7%	7%	5%	4%
Future salary growth	6%	6%	2%	2%

Assumptions regarding future mortality are based on published statistic and mortality tables.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

	Retirement benefit obligation			
	PT ALS		Saudi Asma	
	2024 RM	2023 RM	2024 RM	2023 RM
Discount rate:				
1% increase	46,438	53,229	561,806	626,058
1% decrease	(55,067)	(62,138)	(621,054)	(565,860)
Future salary growth:				
1% increase	54,750	61,790	(621,789)	(566,958)
1% decrease	(46,973)	(53,860)	560,597	625,453

The sensitivity analysis above have been determined based on a method that extrapolates the impact on the retirement benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the retirement benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

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25. SHARE CAPITAL AND TREASURY SHARES

	Group and Company		Amount	
	Number of ordinary shares 2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid:				
At 1 January/31 December	658,000,000	658,000,000	65,970,290	65,970,290
Treasury shares				
	Number of treasury shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
At 1 January/31 December	2,628,900	2,628,900	363,789	363,789

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

26. OTHER RESERVES

	Group	
	2024 RM	2023 RM
At 1 January	(3,040,919)	(2,119,438)
Loss/(gain) during the year	739,427	(921,481)
At 31 December	(2,301,492)	(3,040,919)

The components of other reserves included the following:

	Foreign exchange reserve RM	Statutory reserve RM	Defined benefit plan reserve RM	Total RM
At 1 January 2023	(2,057,460)	178,614	(240,592)	(2,119,438)
Loss/(gain) during the year	(1,036,046)	–	114,565	(921,481)
At 31 December 2023	(3,093,506)	178,614	(126,027)	(3,040,919)
Loss/(gain) during the year	645,269	–	94,158	739,427
At 31 December 2024	(2,448,237)	178,614	(31,869)	(2,301,492)

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26. OTHER RESERVES (CONT'D.)

The nature and purpose of each category of reserve are as follows:

(a) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(b) Statutory reserve

This relates to reserve required by state regulator of a subsidiary.

(c) Defined benefits obligation (remeasurment) reserve

The fair value reserve comprises all actuarial gain arising from the defined benefit plan of PTALS and Saudi ASMA.

27. DEFERRED TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	(2,655,827)	(725,453)	–	–
Recognised in profit or loss (Note 11)	(607,049)	(1,930,374)	–	–
At 31 December	(3,262,876)	(2,655,827)	–	–
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	1,934,094	2,541,143	–	–
Deferred tax assets	(5,196,970)	(5,196,970)	–	–
	(3,262,876)	(2,655,827)	–	–

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets:				
Provisions				
At 1 January	(2,637,075)	(1,808,842)	(468,495)	(468,495)
Recognised in profit or loss	(165,573)	(828,233)	–	–
At 31 December	(2,802,648)	(2,637,075)	(468,495)	(468,495)

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27. DEFERRED TAXATION (CONT'D.)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses				
At 1 January	(3,902,278)	(3,569,083)	–	–
Recognised in profit or loss	–	(333,195)	–	–
At 31 December	(3,902,278)	(3,902,278)	–	–
Total deferred tax assets	(6,704,926)	(6,539,353)	(468,495)	(468,495)
Deferred tax liabilities:				
Property, plant and equipment				
At 1 January	2,562,143	3,175,790	468,495	468,495
Recognised in profit or loss	(360,918)	(613,647)	–	–
At 31 December	2,201,225	2,562,143	468,495	468,495
Provision for withholding tax				
At 1 January	1,321,383	1,476,682	–	–
Recognised in profit or loss	(80,558)	(155,299)	–	–
At 31 December	1,240,825	1,321,383	–	–
Total deferred tax liabilities	3,442,050	3,883,526	468,495	468,495
Deferred taxation, net	(3,262,876)	(2,655,827)	–	–

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed business loss	45,335,900	39,157,300	4,591,000	3,161,000
Unutilised capital allowance	3,116,000	2,814,000	1,308,000	1,162,000
Other deductible temporary differences	1,670,000	1,710,000	1,756,000	1,668,000
	50,121,900	43,681,300	7,655,000	5,991,000

Deferred tax assets have not been recognised in respect of these items because it is not probable that they may be used to offset taxable profit of the Company and the respective subsidiaries of the Group.

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27. DEFERRED TAXATION (CONT'D.)

The unutilised tax losses can be carried forward indefinitely except as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Year of assessment 2029	5,734,000	5,736,000	–	–
Year of assessment 2030	2,463,000	2,734,000	874,000	874,000
Year of assessment 2031	1,992,000	1,992,000	945,000	945,000
Year of assessment 2032	2,530,000	2,530,000	769,000	769,000
Year of assessment 2033	1,270,000	1,270,000	573,000	573,000
Year of assessment 2034	1,430,000	–	1,430,000	–
	15,419,000	14,262,000	4,591,000	3,161,000

In Malaysia, pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised business losses can be carried forward and available for use for 10 years starting from the year of assessment 2019.

28. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Property, plant and equipment		
- Approved but not contracted for	–	996,375
- Approved and contracted for	4,282,470	–

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29. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2024 RM	2023 RM
Group		
Rental income from Zaiyadal Sdn. Bhd., immediate holding company ("ZSB")	(65,009)	(65,009)
Rental income from subsidiaries of ZSB		
- Foxboro (Malaysia) Sdn. Bhd.	(189,000)	(197,138)
- Progressive Impact Technology Sdn. Bhd.	(680,066)	(651,790)
- IAM- Wonderware Sdn. Bhd.	(180,895)	(180,895)
- Untung Aquaculture Sdn. Bhd.	(22,800)	(22,800)
- Progressive Impact Corrosion Sdn. Bhd.	-	(1,966)
- Intelligent Aqua Sdn. Bhd.	(47,880)	(47,040)
Provision of corporate service to ZSB	(1,071,559)	(859,621)
Provision of corporate service to subsidiary of ZSB		
- Progressive Impact Technology Sdn. Bhd.	(1,337,218)	(1,465,038)
Provision of environmental consulting services to Progressive Impact Technology Sdn. Bhd.	(338,477)	(5,700)
Provision of environmental services to subsidiaries of ZSB		
- Progressive Impact Technology Sdn. Bhd.	-	(26,915)
- Untung Aquaculture Sdn. Bhd.	(369,750)	(1,989,656)
Information technology support to ZSB	(39,950)	(28,175)
Information technology support to subsidiaries of ZSB		
- Foxboro (Malaysia) Sdn. Bhd.	(214,620)	(162,080)
- Progressive Impact Technology Sdn. Bhd.	(164,970)	(111,825)
- Progressive Impact Corrosion Sdn. Bhd.	(39,480)	(30,450)
- Progressive Software Solutions Sdn. Bhd.	(13,395)	(11,550)
- Intelligent Aqua Sdn. Bhd.	(21,385)	(13,825)
Provision for consultancy and management services from ZSB	261,228	8,016
Provision of sales, marketing, administrative and other support services in Brunei from Progressive Impact Technology (B) Sdn. Bhd.	-	166,772
Supply of water treatment technology by Intelligent Aqua Sdn. Bhd.	-	94,023
Sales from Asiatest Laboratory Service Sdn. Bhd., related party to ALS Technichem (M) Sdn. Bhd.	(1,905,645)	(1,905,645)
Provision for consultancy and management services from LI Commerce Sdn. Bhd.	585,922	576,852

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29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd.)

	2024	2023
	RM	RM
Company		
Rental income from ZSB	(65,009)	(65,009)
Rental income from subsidiaries of ZSB		
- Foxboro (Malaysia) Sdn. Bhd.	(189,000)	(197,138)
- Progressive Impact Technology Sdn. Bhd.	(680,066)	(651,790)
- IAM- Wonderware Sdn. Bhd.	(180,895)	(180,895)
- Untung Aquaculture Sdn. Bhd.	(22,800)	(22,800)
- Progressive Impact Corrosion Sdn. Bhd.	-	(1,966)
- Intelligent Aqua Sdn. Bhd.	(47,880)	(47,040)
Provision of corporate service to ZSB	(1,071,559)	(859,621)
Provision of corporate service to subsidiary of ZSB		
- Progressive Impact Technology Sdn. Bhd.	(1,337,218)	(1,465,038)
Provision of corporate service to subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(607,054)	(514,328)
- ALS Technichem (M) Sdn. Bhd.	(138,436)	(130,585)
- Saudi ASMA Environmental Solution LLC	(209,301)	(96,322)
- ASMA Advanced Solution LLC	(7,905)	(8,048)
Provision of management services to subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(286,453)	(298,610)
- ALS Technichem (M) Sdn. Bhd.	(490,881)	(505,340)
- Saudi ASMA Environmental Solution LLC	(170,164)	(183,760)
Utilities and other expenses charged to subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(103,635)	(97,265)
Profit on advances charged to subsidiaries		
- ASMA Advanced Solution LLC	(1,617)	(8,048)
- Saudi ASMA Environmental Solution LLC	(1,501,977)	(1,401,608)
- Alam Sekitar Malaysia Sdn. Bhd.	(234,215)	(144,161)
- ASMA International Sdn. Bhd.	(50,660)	(45,974)
Provision for consultancy and management services from ZSB	261,228	8,016
Provision for consultancy and management services		
from LI Commerce Sdn. Bhd.	585,922	576,852
Rental income from subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(355,436)	(355,436)

The Directors are of the opinion that the transactions have been entered into in the normal course of business and at terms mutually agreed between parties.



29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Compensation to key management personnel

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly, including Executive directors of the Group and the Company. The remuneration and compensation of Directors and other members of key management during the year was as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, bonus and other emoluments	4,382,340	4,243,884	2,106,453	2,078,893
Social security costs	3,883	4,220	1,872	1,902
Defined contribution plan	407,619	396,263	251,868	243,692
Defined benefit plan	157,219	157,219	157,219	157,219
	4,951,061	4,801,586	2,517,412	2,481,706

Included in the total key management personnel are:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors' remuneration	2,082,460	2,059,165	2,050,060	2,038,915

30. FINANCIAL INSTRUMENTS

(i) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its profit rate, liquidity, credit and foreign currency risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transaction.

(ii) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's profit rate management objective is to manage the profit costs consistent with maintaining an acceptable level of exposure to profit rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The information on maturity dates and effective profit rates of the financial assets and liabilities are disclosed in their respective notes.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(ii) Profit rate risk (cont'd.)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Group				
<u>Floating rate</u>				
Overdraft	18,599,157	17,695,724	17,886,995	17,191,011
Revolving credit	23,269,677	23,795,690	11,000,000	11,000,000
Term loan	18,984,567	15,761,373	–	–
	60,853,401	57,252,787	28,886,995	28,191,011

With all other variables held constant, the following table demonstrates the sensitivity of the Group and the Company's profit net of tax to a reasonably possible change in the profit rates.

	Group		Company	
	Increase/ (decrease) in basis points	Effect on profit/equity (decrease)/ increase RM	Increase/ (decrease) in basis points	Effect on (loss)/equity (decrease)/ increase RM
As at 31 December 2024				
Ringgit Malaysia	+ 25	(152,134)	+ 25	(72,217)
Ringgit Malaysia	- 25	152,134	- 25	72,217
As at 31 December 2023				
Ringgit Malaysia	+ 25	(143,132)	+ 25	(70,478)
Ringgit Malaysia	- 25	143,132	- 25	70,478

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirements.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(iii) Liquidity risk (cont'd.)

The table below summaries the maturity profile of the Group's and the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

	On demand or within one year RM	One to five years RM	Total RM
As at 31 December 2024			
Group			
Financial liabilities:			
Trade and other payables	31,871,450	–	31,871,450
Borrowings	62,595,952	146,649	62,742,601
Lease obligations	354,424	269,543	623,967
Total undiscounted financial liabilities	94,821,826	416,192	95,238,018
Company			
Financial liabilities:			
Trade and other payables*	15,363,674	–	15,363,674
Borrowings	28,886,995	–	28,886,995
Lease obligations	88,659	86,728	175,387
Total undiscounted financial liabilities	44,339,328	86,728	44,426,056
As at 31 December 2023			
Group			
Financial liabilities:			
Trade and other payables	36,092,711	–	36,092,711
Borrowings	62,037,385	230,148	62,267,533
Lease obligations	596,135	572,101	1,168,236
Total undiscounted financial liabilities	98,726,231	802,249	99,528,480
Company			
Financial liabilities:			
Trade and other payables*	15,071,851	–	15,071,851
Borrowings	28,191,011	–	28,191,011
Lease obligations	14,655	–	14,655
Total undiscounted financial liabilities	43,277,517	–	43,277,517

* At the reporting date, the counterparty to the financial guarantee does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantee amounting to RM45,082,965 (2023: RM40,640,885) is not included in the above maturity profile analysis.

NOTE TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(iv) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with reputable licensed banks.

Receivables and contract assets

The Group and the Company minimise credit risk by entering into contracts with highly credit rated counterparties and through credit approval, financial limits and on-going monitoring procedures. Counterparties credit evaluation is done systematically using quantitative and qualitative criteria on credit risks specified by individual operating units. Depending on the creditworthiness of the counterparty, the Group and the Company may require collateral or other credit enhancements.

The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial asset as reported in the statements of financial position.

The Group and the Company use ageing analysis and credit limit review to monitor the credit quality of the receivables. Any customers exceeding their credit limit are monitored closely. With respect to the trade and other receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

With respect to the trade and other receivables which have no realistic prospect of recovery, the gross carrying amounts of the credit impaired receivables will be written off (either in partial or in full).

Recognition and measurement of impairment loss

The Group and the Company measure its impairment losses for financial assets using a forward-looking expected credit loss ("ECL") approach. In determining the ECL, the probability of default assigned to each customer is based on their individual both quantitative and qualitative information and analysis, Group's and Company's historical experience and informed credit assessment and including forward-looking information.

Information regarding trade receivables that are either past due or individually impaired is as disclosed in Note 18.

Financial guarantee

The Company provides unsecured financial guarantee to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis, the results of the certain subsidiaries and repayments made by the certain subsidiaries.

The maximum exposure to credit risk is amounting to RM45,082,965 (2023: RM40,640,885) which represents the outstanding banking facilities of the subsidiaries as at reporting date. As at reporting date, there was no indication that the subsidiaries would default on repayment.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(v) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar (USD), Australian Dollar (AUD), Singapore Dollar (SGD) and European Dollar (EURO). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Group

	USD RM	AUD RM	Denominated in SGD RM	EURO RM
As at 31 December 2024:				
Bank balances	10,025,037	76,203	76,203	–
Trade receivables	293,523	–	414	–
Trade payables	(1,455,931)	(74,768)	–	(150,182)
	8,862,629	1,435	76,617	(150,182)
As at 31 December 2023:				
Bank balances	6,953,577	83,044	38,334	–
Trade receivables	395,285	–	1,135	–
Trade payables	(1,036,325)	–	(9,950)	(164,409)
	6,312,537	83,044	29,519	(164,409)

With all other variables held constant, the following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in those exchange rates against the functional currency of the Group:

Group

	USD/RM	Profit before tax/Equity AUD/RM	SGD/RM	EURO/RM
As at 31 December 2024:				
- strengthen 3%	(265,879)	(43)	(2,299)	4,505
- weaken 3%	265,879	43	2,299	(4,505)
As at 31 December 2023:				
- strengthen 3%	(189,376)	(2,491)	(886)	4,932
- weaken 3%	189,376	2,491	886	(4,932)

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(vi) Fair value

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings (except for lease liabilities), are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The lease liabilities are not carried at fair values but carrying amounts are reasonable approximations of fair values as the fair values are estimated by discounting expected future lease payments at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the date of application.

The table below analyses financial instruments carried at fair value, together with their carrying amounts shown in the Statements of Financial Position.

Financial instruments carried at fair value

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Level 1				
31 December 2024				
Group				
Financial assets:				
Other current financial assets	4,894,613	15,869,464	13,563	13,116



30. FINANCIAL INSTRUMENTS (CONT'D.)

(vii) The movement in liabilities arising from financing activities are as follows:

Group	Lease obligation RM	Hire purchase RM	Overdraft RM	Revolving credit RM	Term loan RM	Trust receipt RM	Total RM
At 1 January 2023	200,032	1,091,152	18,408,930	25,673,295	12,611,778	625,801	58,610,988
Acquisition of subsidiaries	1,466,351	-	-	-	-	-	1,466,351
Addition of right-of-use assets	818,731	-	-	-	-	-	818,731
Termination of lease/ Movement in bank overdraft	(1,028,344)	-	(713,206)	-	-	-	(1,741,550)
Exchange differences	(18,809)	-	-	-	-	-	(18,809)
Net (repayment)/drawdown	(276,699)	(799,318)	-	(1,908,200)	3,176,322	776,376	968,481
Profit charged	52,869	331,180	1,356,340	1,189,885	1,936,774	84,627	4,951,675
Profit charged paid	(52,869)	(331,180)	(1,356,340)	(1,159,290)	(1,963,501)	(145,822)	(5,009,002)
At 31 December 2023/ 1 January 2024	1,161,262	291,834	17,695,724	23,795,690	15,761,373	1,340,982	60,046,865
Addition of right-of-use assets	267,435	-	-	-	-	-	267,435
Termination of lease/ Movement in bank overdraft	(274,092)	-	903,433	-	-	-	629,341
Exchange differences	(8,743)	-	-	-	(553,871)	-	(562,614)
Net (repayment)/drawdown	(521,895)	166,302	-	(526,013)	3,777,065	86,422	2,981,881
Profit charged	66,441	34,528	1,352,551	589,762	3,882,006	82,337	6,007,625
Profit charged paid	(66,441)	(34,528)	(1,352,551)	(589,762)	(3,882,006)	(82,337)	(6,007,625)
At 31 December 2024	623,967	458,136	18,599,157	23,269,677	18,984,567	1,427,404	63,362,908

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(vii) The movement in liabilities arising from financing activities are as follows: (cont'd.)

Company	Lease obligation RM	Hire purchase RM	Overdraft RM	Revolving credit RM	Advance from a subsidiary RM	Total RM
At 1 January 2023	37,885	67,461	17,410,097	11,000,000	11,022,214	39,537,657
Addition of right-of-use assets	21,204	-	-	-	-	21,204
Movement in bank overdraft	-	-	(219,086)	-	-	(219,086)
Net repayment	(44,434)	(67,461)	-	-	-	(111,895)
Profit charged	4,996	7,806	1,303,353	492,940	502,726	2,311,821
Profit charged paid	(4,996)	(7,806)	(1,303,353)	(492,940)	(409,170)	(2,218,265)
At 31 December 2023/1 January 2024	14,655	-	17,191,011	11,000,000	11,115,770	39,321,436
Addition of right-of-use assets	245,637	-	-	-	-	245,637
Termination of lease/ Movement in bank overdraft	(8,487)	-	695,984	-	-	687,497
Net repayment	(76,418)	-	-	-	-	(76,418)
Profit charged	16,737	-	1,302,275	506,158	505,999	2,331,169
Profit charged paid	(16,737)	-	(1,302,275)	(506,158)	(484,611)	(2,309,781)
At 31 December 2024	175,387	-	17,886,995	11,000,000	11,137,158	40,199,540

31. SEGMENTAL INFORMATION

(a) Business segments

The Group is organised into 3 major business segments:

- (i) Environmental, monitoring and consultancy services - providing environmental related services.
- (ii) Laboratory testing services - chemical testing, consultancy service and other services of similar nature.
- (iii) Others - Investment holding, property investment and dormant.

2024	Note	Environmental monitoring, consultancy and services RM	Laboratory testing services RM	Others RM	Elimination RM	Consolidated RM
Revenue						
External sales		29,956,648	69,236,330	2,819,790	–	102,012,768
Inter-segment sales	(i)	–	1,401,162	7,539,070	(8,940,232)	–
Total revenue		29,956,648	70,637,492	10,358,860	(8,940,232)	102,012,768
Results						
(Loss)/profit from operations		(4,715,527)	23,890,655	5,218,507	(9,412,229)	14,981,406
Dividend income		–	–	7,080,000	(7,080,000)	–
Other non-cash expenses	(ii)	21,376	(976,166)	(6,298)	–	(961,088)
Finance costs		(6,045,360)	(48,460)	(2,331,168)	2,417,363	(6,007,625)
Taxation		(18)	(5,264,891)	–	–	(5,264,909)



NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



31. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments (cont'd.)

	Note	Environmental monitoring, consultancy and services RM	Laboratory testing services RM	Others RM	Elimination RM	Consolidated RM
2024 (cont'd.)						
Assets						
Segment operating assets		42,209,158	102,521,009	111,947,833	(81,499,379)	175,178,621
Deferred tax assets		5,196,970	–	–	–	5,196,970
Total assets		47,406,128	102,521,009	111,947,833	(81,499,379)	180,375,591
Liabilities						
Segment operating liabilities		85,569,997	18,234,589	46,477,182	(50,432,046)	99,849,722
Deferred tax liabilities		–	957,347	–	976,747	1,934,094
Total liabilities		85,569,997	19,191,936	46,477,182	(49,455,299)	101,783,816
Other Information						
Capital expenditure - property, plant and equipment		663,488	5,002,903	579,605	–	6,245,996
Depreciation and amortisation		1,479,656	4,306,222	1,062,797	(303,699)	6,544,976



31. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments (cont'd.)

	Note	Environmental monitoring, consultancy and services RM	Laboratory testing services RM	Others RM	Elimination RM	Consolidated RM
2023						
Revenue						
External sales		30,476,062	58,698,675	2,860,903	–	92,035,640
Inter-segment sales	(i)	259,800	1,149,964	7,532,701	(8,942,465)	–
Total revenue		30,735,862	59,848,639	10,393,604	(8,942,465)	92,035,640
Results						
(Loss)/profits from operations		(5,320,369)	19,445,520	6,319,323	(9,161,980)	11,282,494
Dividend income		–	–	7,080,000	(7,080,000)	–
Other non-cash expenses	(ii)	(42,075)	49,790	(219)	–	7,496
Finance costs		(4,715,435)	(26,382)	(2,311,021)	2,101,163	(4,951,675)
Taxation		684,844	(4,426,353)	15,555	–	(3,725,954)
Assets						
Segment operating assets		41,666,683	108,265,706	107,909,313	(78,482,359)	179,359,343
Deferred tax assets		5,196,970	–	–	–	5,196,970
Total assets		46,863,653	108,265,706	107,909,313	(78,482,359)	184,556,313
Liabilities						
Segment operating liabilities		79,863,116	28,554,049	45,326,000	(51,896,985)	101,846,180
Deferred tax liabilities		–	1,564,396	–	976,747	2,541,143
Total liabilities		79,863,116	30,118,445	45,326,000	(50,920,238)	104,387,323
Other Information						
Capital expenditure - property, plant and equipment		521,337	4,058,946	483,362	–	5,063,645
Depreciation and amortisation		2,097,564	3,937,827	1,176,126	(334,829)	6,876,688

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



31. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments (cont'd.)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- (i) Inter-segment revenues are eliminated on consolidation.
- (ii) Other material non-cash expenses consist of the following items:

	2024 RM	2023 RM
Provision for retirement benefit obligations	(446,299)	(468,643)
Property, plant and equipment written off	(18,352)	(219)
Gain on derecognition of rights of use of assets	74,727	103,028
Impairment of trade receivables	197,515	(1,531,779)
Fair value gain on other current financial assets	34,702	234,344
Unrealised loss/(gain) from foreign exchange	(803,381)	1,670,765
	(961,088)	7,496

(b) Geographical segments

The Group's geographical segments are for its subsidiaries that are involved in laboratory testing services, environmental consultancy and monitoring services which operates in Malaysia, Indonesia and Saudi Arabia.

	Total revenue from external customers RM	Segment assets RM	Capital expenditure RM
2024			
Malaysia	78,065,388	140,969,231	6,125,954
Indonesia	12,766,210	27,054,030	73,481
Saudi Arabia	11,181,170	12,352,330	46,561
	102,012,768	180,375,591	6,245,996
2023			
Malaysia	67,292,223	141,772,092	3,603,632
Indonesia	13,024,436	30,231,647	1,134,730
Saudi Arabia	11,718,981	12,552,574	325,283
	92,035,640	184,556,313	5,063,645

- (c) There is no significant concentration of revenue from any major customers as the Group's revenue is contributed by various customers.

NOTE TO THE FINANCIAL STATEMENTS
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(CONT'D.)



32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, lease obligations, trade and other payables, less cash and bank balances. Capital represents the total equity.

The debt to equity ratio as at 31 December 2024 and 2023 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Borrowings (Note 23)	62,738,941	58,885,603	28,886,995	28,191,011
Lease obligations (Note 14)	623,967	1,161,262	175,387	14,655
Trade and other payables (Note 22)	31,871,450	36,092,711	15,363,674	15,071,851
Less: Cash and bank balances (Note 21)	(44,644,034)	(39,036,854)	(8,398,725)	(8,091,264)
Net debt	50,590,324	57,102,722	36,027,331	35,186,253
Total equity, representing total capital	78,591,775	80,168,990	57,236,679	64,631,797
Capital and net debt	129,182,099	137,271,712	93,264,010	99,818,050
Gearing ratio	0.39	0.42	0.39	0.35

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one Group or Company to another.

33. COMPARATIVE INFORMATION

The comparative information were audited by another auditors other than Grant Thornton Malaysia PLT. Certain comparative figures were reclassified to conform with current year's presentation.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D.)



34. EVENT AFTER THE REPORTING DATE

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.



07

**Supplementary
Information**

STATISTICS OF SHAREHOLDINGS



AS AT 2 APRIL 2025

■ SHARE CAPITAL

Issued and paid-up share capital	: RM65,800,000.00 comprising 658,000,000 Ordinary shares
Class of shares	: Ordinary shares
Voting rights	: One (1) vote per Ordinary share
Number of shareholders	: 3,335
Number of Treasury Shares	: 2,628,900 Ordinary shares

■ ANALYSIS OF SHAREHOLDINGS

Size of holdings	No. of shareholders	%	Shareholdings	%*
Less than 100	146	4.378	653	0.000
100 to 1,000	876	26.267	551,179	0.084
1,001 to 10,000	880	26.387	5,144,643	0.785
10,001 to 100,000	1,045	31.334	43,832,767	6.688
100,001 to less than 5% of issued shares	386	11.574	306,646,836	46.790
5% and above of issued shares	2	0.060	299,195,022	45.653
Total	3,335	100.00	655,371,100	100.00

* Based on the total number of issued shares in the Company excluding 2,628,900 Ordinary shares bought back by the Company and retained as treasury shares as at 2 April 2025.

■ SUBSTANTIAL SHAREHOLDERS

Name	Shareholdings			
	Direct Interest	%^	Deemed Interest	%^
Zaiyadal Sdn Bhd	262,140,836	39.999	-	-
ZKSB Holdings Sdn Bhd	-	-	262,140,836@	39.999@
Zaid & Zaidah (L) Foundation	-	-	262,140,836~	39.999~
Zaid bin Abdullah	50,632,100	7.726	262,140,836*	39.999*
Zaidah binti Mohd Salleh	8,769,400	1.338	262,140,836*	39.999*

Note:-

- @ Deemed interest by virtue of its interest in Zaiyadal Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- ~ Deemed interest by virtue of its interest in ZKSB Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- * Deemed interest by virtue of his/her interest in Zaid & Zaidah (L) Foundation pursuant to Section 8 of the Companies Act 2016.
- ^ Based on the total number of issued shares in the Company excluding 2,628,900 Ordinary shares bought back by the Company and retained as treasury shares as at 2 April 2025.

DIRECTORS' INTEREST IN SHARES

As per the Register of Directors' Shareholdings

Name	Direct interest	% [^]	Deemed & indirect interest	% [^]
Zaid bin Abdullah	50,632,100	7.726	262,617,636*	40.072*
Zaidah binti Mohd Salleh	8,769,400	1.338	262,617,636*	40.072*
Datuk Syed Hisham bin Syed Wazir	-	-	-	-
Dato' Hajjah Rosnani binti Ibarahim	-	-	-	-
Dato' Dr. Lukman bin Ibrahim	-	-	776,000	0.118
Kamarul Baharin bin Albakri	-	-	-	-
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor	-	-	-	-
Dato' Seri Rosman bin Mohamed	-	-	-	-
Usamah bin Zaid	112,000	0.017	-	-
(Alternate Director to Zaid bin Abdullah)				
Fatimah Zahrah binti Zaid	110,300	0.017	-	-
(Alternate Director to Zaidah binti Mohd Salleh)				

Note:-

* Deemed interest by virtue of his/her interest in Zaid & Zaidah (L) Foundation and indirect interests in respect of the shareholdings held by his/her children pursuant to the Companies Act 2016.

[^] Based on the total number of issued shares in the Company excluding 2,628,900 Ordinary shares bought back by the Company and retained as treasury shares as at 2 April 2025.

THIRTY LARGEST SHAREHOLDERS

No.	Name	Holdings	%*
1	Zaiyadal Sdn Bhd	245,190,122	37.412
2	Citigroup Nominees (Asing) Sdn Bhd	54,004,900	8.240
	Exempt AN for Bank of Singapore Limited (Foreign)		
3	Kal-Yadain Sdn Bhd	28,813,078	4.396
4	CGS International Nominees Malaysia (Tempatan) Sdn Bhd	25,497,000	3.890
	Pledged Securities Account for Zaid bin Abdullah (MI0079)		
5	Zaid bin Abdullah	25,135,100	3.835
6	Zaiyadal Sdn Bhd	14,285,714	2.179
7	Beyond Expatriate Advisory (MM2H) Sdn Bhd	13,857,143	2.114
8	Syed Abu Hussin bin Hafiz Syed Abdul Fasal	8,889,200	1.356
9	Zaidah binti Mohd Salleh	7,063,400	1.077
10	HLB Nominees (Tempatan) Sdn Bhd	6,079,600	0.927
	Pledged Securities Account for AB Ghaus Bin Ismail		
11	CGS International Nominees Malaysia (Tempatan) Sdn Bhd	5,712,500	0.871
	Pledged Securities Account for Mohammed Amin bin Mahmud (MM1004)		
12	Nik Abdul Aziz bin Nik Sulaiman	4,323,235	0.659
13	Yong Kwa Loong	4,000,000	0.610
14	Kenanga Nominees (Tempatan) Sdn Bhd	3,200,000	0.488
	Rakuten Trade Sdn Bhd for Lau Teik Cheng		
15	Yeu Swee Hing	2,723,100	0.415
16	Tay Hua Lee	2,720,000	0.415
17	Maybank Nominees (Tempatan) Sdn Bhd	2,670,000	0.407
	Pledged Securities Account for Ooi Boon Chai		

No.	Name	Holdings	%*
18	Zaiyadal Sdn Bhd	2,665,000	0.406
19	Lim Yuen Sing	2,600,000	0.396
20	Toh Wee Keng	2,598,700	0.396
21	Alliancegroup Nominees (Tempatan) Sdn Bhd	2,500,000	0.381
	Pledged Securities Account for Leong Ken Hiung (6000824)		
22	Lai Siew Min	2,044,900	0.312
23	Tee Jen Tong	1,850,000	0.282
24	Ahmad Ridzwan bin Mohd Salleh	1,820,075	0.277
25	Ng Chor Yee	1,820,000	0.277
26	Amnah binti Shaari	1,733,143	0.264
27	Zaidah binti Mohd Salleh	1,696,000	0.258
28	Ahmad Rafa'i bin Abdullah	1,689,520	0.257
29	Lai Yat Wan	1,642,000	0.250
30	Chew Cheow Moi	1,600,000	0.244

Note:-

* Based on the total number of issued shares in the Company excluding 2,628,900 Ordinary shares bought back by the Company and retained as treasury shares as at 2 April 2025.

NOTICE OF THE ANNUAL GENERAL MEETING



PROGRESSIVE IMPACT CORPORATION BERHAD
199001011782 (203352-V)
(Incorporated in Malaysia)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting of the Company will be conducted physically at Velocity Room, Ground Floor, Mercu PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia ("Venue") on Wednesday, 25 June 2025 at 10.00 a.m. or at any adjournment thereof, to transact the following businesses:-

ORDINARY BUSINESSES

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon. | (Please refer to Note 1 of the Explanatory Notes) |
| 2. To re-elect Zaid bin Abdullah, who shall retire by rotation pursuant to Clause 76(3) of the Constitution of the Company, as Director. | Ordinary Resolution 1 |
| 3. To re-elect Dato' Hajjah Rosnani binti Ibarahim, who shall retire by rotation pursuant to Clause 76(3) of the Constitution of the Company, as Director. | Ordinary Resolution 2 |
| 4. To re-elect Kamarul Baharin bin Albakri, who shall retire pursuant to Clause 76(3) of the Constitution of the Company, as Director. | Ordinary Resolution 3 |
| 5. To re-elect Prof Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor, who shall retire pursuant to Clause 78 of the Constitution of the Company, as Director. | Ordinary Resolution 4 |
| 6. To re-elect Dato' Seri Rosman bin Mohamed, who shall retire pursuant to Clause 78 of the Constitution of the Company, as Director. | Ordinary Resolution 5 |
| 7. To approve the Non-Executive Directors' fees of RM249,600 for the period commencing from the date immediately after the 33rd Annual General Meeting up to the date of the next Annual General Meeting to be held in 2026. | Ordinary Resolution 6 |
| 8. To approve the Directors' benefits of RM300,000 for the period commencing from the date immediately after the 33rd Annual General Meeting up to the date of the next Annual General Meeting to be held in 2026. | Ordinary Resolution 7 |
| 9. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and authorise the Directors to fix their remuneration. | Ordinary Resolution 8 |

SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions, with or without modifications, as ordinary resolutions of the Company:-

10. ORDINARY RESOLUTION

PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 29 April 2025 ("the Related Parties") provided that such transactions are:-

Ordinary
Resolution 9

- a) necessary for the day-to-day operations;
- b) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
- c) not detrimental to the minority shareholders of the Company,

("Proposed Renewal of Shareholders' Mandate").

THAT such approval, shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

11. ORDINARY RESOLUTION

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 29 April 2025 ("the Related Parties") provided that such transactions are:-

Ordinary
Resolution 10

- a) necessary for the day-to-day operations;
- b) undertaken in the ordinary course of business at arm's length basis and on normal

commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and

c) not detrimental to the minority shareholders of the Company,

("Proposed New Shareholders' Mandate").

THAT such approval, shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the proposed New Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate."

12. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

Ordinary
Resolution 11

- a) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which this resolution is passed, at which time the authority shall lapse unless by ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;

- b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) to cancel all or part of the Purchased Shares;
- (ii) to retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) to distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) to resell all or part of the treasury shares;
- (v) to transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) to transfer all or part of the treasury shares as purchase consideration;
- (vii) to sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- (viii) to deal with the treasury shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

13. **ORDINARY RESOLUTION** **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("THE ACT")**

"THAT pursuant to Sections 75 and 76 of the Act, and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

Ordinary
Resolution 12

14. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By order of the Board
ZAIDAH BINTI MOHD SALLEH (MIA 3313)
SSM PC No. 202008000888

WONG SIEW YEEN (MAICSA 7018749)
SSM PC No. 202008001471

TEE THIAM CHAI (MAICSA 7066679)
SSM PC No. 202008002297

Company Secretaries

Shah Alam
29 April 2025

Notes:

1. For the purpose of determining who shall be entitled to participate in this Annual General Meeting (“AGM”), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 18 June 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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, Malaysia or alternatively, in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is Monday, 23 June 2025 at 10.00 a.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited the Share Registrar of the Company at 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, Malaysia or alternatively, in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at 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, Malaysia or alternatively, in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
13. Shareholders are advised to check the Company's website at www.picorp.com.my and announcements from time to time for any changes to the administration of the 33rd AGM.

Explanatory Notes on Ordinary Businesses

1. Agenda item no. 1 is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Ordinary Resolutions 1 to 5

Pursuant to Clause 76(3) and 78 of the Constitution of the Company, Zaid bin Abdullah, Dato' Hajjah Rosnani binti Ibarahim, Kamarul Baharin bin Albakri, Prof Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor and Dato' Seri Rosman bin Mohamed are due for retirement as Directors of the Company and being eligible, have offered themselves for re-election at this AGM.

The profile of the Directors standing re-election are set out in the Annual Report 2024. The details of their interest in the securities of the Company can be found under the Statistics of Shareholdings.

The Nomination and Remuneration Committee ("NRC") has considered the performance and contribution of aforesaid Directors through the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2024 ("BEE 2024"). In carrying out the assessment, the following factors were taken into consideration:

- (i) fit and proper assessment;
- (ii) contribution and performance; and
- (iii) calibre and personality.

The NRC also reviewed the tenure of the Directors and board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business.

The retiring Directors who are Independent Non-Executive Directors ("INEDs") have provided their confirmation that they fulfil the independence criteria prescribed by the Main Market Listing requirements of Bursa Malaysia Securities Berhad. They have also confirmed that they do not have any existing or potential conflict of interest, business, family or other special relationship within or outside of the Company that could affect the execution of their role as Directors.

The Board (save for the retiring Directors who have abstained from deliberation on discussions relating to their own re-election at the NRC and Board meetings) supports the re-election of the retiring Directors as it believes that the retiring Directors have discharged their duties and responsibilities effectively, demonstrated commitment to their role, and will continue to make a strong contribution to the work of the Board and to the long-term sustainable success of the Company.

3. Ordinary Resolution 6

Shareholders' approval is sought under this resolution to allow the Company to pay Non-Executive Directors' fees on a monthly basis for the period commencing from the date immediately after this AGM up to the date of the next AGM to be held in 2026 as members of the Board and board committees. The Directors' fees are based on the targeted Board size. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

4. Ordinary Resolution 7

The Directors' benefits are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period commencing from the date immediately after this AGM up to the date of the next AGM. In the event the proposed amount is insufficient (due to enlarged Board size or more meetings), approval will be sought at the next AGM for the shortfall.

5. Ordinary Resolution 8

The Board has through the Audit Committee, considered the re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at this AGM are stated in the Corporate Governance Overview Statement of the Annual Report 2024.

Explanatory Notes on Special Businesses

1. Ordinary Resolutions 9 and 10

The proposed resolutions, if passed, will enable the Company and/or its subsidiaries to obtain new mandate and renew its existing mandate to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 29 April 2025.

2. Ordinary Resolution 11

The proposed resolution is intended to allow the Company to renew its existing authorisation to purchase its own shares up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Statement on Share Buy-Back in the Circular to Shareholders dated 29 April 2025 for further information.

3. Ordinary Resolution 12

This proposed resolution, if passed, will empower the Directors to allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to the Statement accompanying the Notice of AGM for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors standing for election

As at date of this notice, there are no individuals who are standing for election or appointment as Directors at the 33rd Annual General Meeting ("33rd AGM").

General mandate for issue of securities

The proposed Ordinary Resolution 12 is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of the Notice of the 33rd AGM, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 13 June 2024 and the mandate will lapse at the conclusion of the 33rd AGM.

PROGRESSIVE IMPACT CORPORATION BERHAD
199001011782 (203352-V)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE 33RD ANNUAL GENERAL MEETING (“AGM”)

Date : Wednesday, 25 June 2025
Time : 10.00 a.m.
Venue : Velocity Room, Ground Floor, Mercu PICORP
Lot 10, Jalan Astaka U8/84
Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan, Malaysia

REGISTRATION FOR THE 33RD AGM

1. Registration will start at 9.00 a.m. on the day of the 33rd AGM up to the time of the commencement of the 33rd AGM at 10.00 a.m.
2. Please produce your ORIGINAL Identity Card (“IC”) or Passport (for foreign shareholder) during registration for verification. Only original IC or Passport is valid for registration.
3. Please note that you are not allowed to register on behalf of another shareholder/proxy, even with the original IC or Passport of that other shareholder/proxy. Please make sure you collect your IC or Passport after the registration.
4. After verification and registration, you will be given an identification wristband. If you are attending the Meeting as a shareholder as well as proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. There is no replacement in the event that you lose/misplace the identification wristband.
5. After registration and signing on the Attendance List, please vacate the registration area.
6. The registration counter will only handle verification of shareholdings and registration. For other clarification or query, you may proceed to the Help Desk.

HELP DESK

The Help Desk will address all clarifications and inquiries regarding the Meeting.

APPOINTMENT OF PROXY OR ATTORNEY OR BY AUTHORISED REPRESENTATIVE

1. Only members whose names appear on the Record of Depositors as at 18 June 2025 shall be eligible to attend, speak and vote at the 33rd AGM or appoint proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
2. In view that the 33rd AGM will be conducted physically, members may appoint the Chairman of the Meeting as their proxy and indicate the voting instruction in the Form of Proxy.
3. If you wish to participate in the 33rd AGM yourself, please do not submit any Form of Proxy for the 33rd AGM. Your proxy appointed by you will not be allowed to participate in the 33rd AGM together with you. Only one (1) of you will be allowed to attend and vote at the meeting.
4. Accordingly, proxy form and/or documents relating to the appointment of proxy/attorney/authorised representative for the 33rd AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner and must be received by the Company not less than forty-eight (48) hours before the time set for the 33rd AGM or not later than Monday, 23 June 2025 at 10.00 a.m.:

(i) Hard Copy Lodgement of Proxy Form

In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) Electronic Lodgement of Proxy Form

All members can have the option to submit proxy forms electronically via Tricor's TIH Online website and the procedures are summarised below:

Procedure		Action
STEPS FOR INDIVIDUAL SHAREHOLDERS		
(a)	Register as a User with TIH Online	<ul style="list-style-type: none">Using your computer, please access the website at https://tiah.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance.If you are already a TIH Online user, you are not required to register again.
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none">After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.Select the corporate event: "PICORP 33rd AGM : Submission of Proxy Form".Read and agree to the Terms & Conditions and confirm the Declaration.Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.Review and confirm your proxy(s) appointment.Print the proxy form for your record.
STEPS FOR CORPORATION OR INSTITUTIONAL SHAREHOLDERS		
(a)	Register as a User with TIH Online	<ul style="list-style-type: none">Access TIH Online at https://tiah.online.Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder".Complete the registration form and upload the required documents.Registration will be verified, and you will be notified by email within one (1) to two (2) working days.Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarification on the user registration.</p>

(b)	Proceed with submission of form of proxy	<ul style="list-style-type: none"> • Login to TIH Online at https://tiih.online • Select the corporate exercise name: “PICORP 33rd AGM: Submission of Proxy Form”. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIH Online, select corporate exercise name: “PICORP 33rd AGM: Submission of Proxy Form”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.
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VOTING AT MEETING

1. In accordance with Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the voting at the **33rd AGM** will be conducted by poll. The Company has appointed Tricor as Poll Administrator to conduct the poll voting electronically (e-voting) via Tricor e-Vote application and an Independent Scrutineer to conduct the polling process and verify the results of the poll.
2. During the **33rd AGM**, the Chairman will invite the Poll Administrator to brief you on the poll procedure.
3. Upon completion of the voting session for the **33rd AGM**, the Scrutineers will verify and announce the poll results followed by the Chairman’s declaration whether the resolutions are carried.

RESULTS OF THE VOTING

The motions proposed at the AGM and the results of the voting will be announced at the AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

ANNUAL REPORT

1. The Annual Report is available on the Company’s website at www.picorp.com.my and Bursa Securities’ website at www.bursamalaysia.com under Company’s announcements.
2. You may request for a printed copy of the Annual Report at <https://tiih.online> by selecting “Request for Annual Report” under the “Investor Services”.
3. Kindly consider the environment before you decide to request for the printed copy of the Annual Report. Environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the **33rd AGM**.

NO SMOKING POLICY

A no smoking policy is maintained in the Meeting hall. Your co-operation is much appreciated.

ENQUIRY

If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@vistra.com
Contact person	:	Mr Low Cheng Chuan +603-2783 9078 (cheng.chuan.low@vistra.com)

Note: The Board reserves the right and may at its discretion make any changes to the above arrangements in the event of any unforeseen circumstances.

PROGRESSIVE IMPACT CORPORATION BERHAD
199001011782 (203352-V)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held

CDS Account No.															

I/We _____ Tel: _____
[Full name in block and as per NRIC/passport, NRIC/Passport/Company No.]
of _____
[Full address]

being member(s) of **Progressive Impact Corporation Berhad**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

^and/or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing ^him/her, the Chairman of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the 33rd Annual General Meeting ("AGM") of the Company which will be conducted physically at Velocity Room, Ground Floor, Mercu PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia ("Venue") on Wednesday, 25 June 2025 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

Ordinary Resolution	Description of Resolutions	For	Against
1	Re-election of Zaid bin Abdullah as Director		
2	Re-election of Dato' Hajjah Rosnani binti Ibarahim as Director		
3	Re-election of Kamarul Baharin bin Albakri as Director		
4	Re-election of Prof. Dato' Ir. Dr. Mohd Hamdi bin Abd Syukor as Director		
5	Re-election of Dato' Seri Rosman bin Mohamed as Director		
6	Payment of Non-Executive Directors' fees for the period commencing from the date immediately after the 33rd AGM up to the date of the next AGM to be held in 2026		
7	Payment of Directors' benefits for the period commencing from the date immediately after the 33rd AGM up to the date of the next AGM to be held in 2026		
8	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company and authority to the Directors to fix their remuneration		
9	Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Ordinary Resolution	Description of Resolutions	For	Against
10	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
11	Proposed Renewal of Shareholders' Mandate to purchase its own Ordinary Shares of up to 10% of the total number of issued shares in the Company		
12	Authority to issue and allot shares		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____day of _____2025

Signature*
Member

^ Delete whichever is inapplicable

* Manner of execution:

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

Notes:

1. For the purpose of determining who shall be entitled to participate in this Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors** as at **18 June 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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, Malaysia or alternatively, in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tthh.online>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via TIH Online.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is Monday, 23 June 2025 at 10.00 a.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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, Malaysia or alternatively, in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at 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, Malaysia or alternatively, in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
13. Shareholders are advised to check the Company's website at www.picorp.com.my and announcements from time to time for any changes to the administration of the 33rd AGM.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

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
Malaysia

1st fold here

These roots embody continuous improvement by constantly adapting to find richer soil, systems thinking by connecting every part of the tree, and a transformative mindset by reshaping themselves to overcome obstacles. Each of us, like these roots, can grow stronger by embracing these principles.



PROGRESSIVE IMPACT CORPORATION BERHAD | 199001011782 (203352-V)

Incorporated in Malaysia

www.picorp.com.my