

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2025
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.3.2025 RM'000	Preceding year Corresponding Quarter 31.3.2024 RM'000	+ / (-)	Current Year To Date 31.3.2025 RM'000	Preceding year Corresponding Period 31.3.2024 RM'000	+ / (-)
Revenue	24,551	23,062	0.06	24,551	23,062	0.06
Cost of sales	(8,051)	(8,287)		(8,051)	(8,287)	
Gross profit	16,500	14,775	0.12	16,500	14,775	0.12
Profit income	105	140		105	140	
Other income	294	854		294	854	
Staff costs	(7,702)	(7,443)		(7,702)	(7,443)	
Depreciation and amortisation	(1,907)	(1,641)		(1,907)	(1,641)	
Other operating expenses	(3,301)	(3,211)		(3,301)	(3,211)	
Profit from operations	3,989	3,474	0.15	3,989	3,474	0.15
Finance costs	(1,028)	(884)		(1,028)	(884)	
Profit before tax	2,961	2,590	0.14	2,961	2,590	0.14
Income tax expense	(1,067)	(994)		(1,067)	(994)	
Profit net of tax	<u>1,894</u>	<u>1,596</u>	0.19	<u>1,894</u>	<u>1,596</u>	0.19
Other comprehensive income:						
Foreign currency translation	157	(941)		157	(941)	
Total comprehensive income/(loss) for the period	<u>2,051</u>	<u>655</u>	(2.13)	<u>2,051</u>	<u>655</u>	2.13
Net Profit/(Loss) attributable to:						
Owners of the parent	(145)	(218)	0.33	(145)	(218)	0.33
Non-controlling interest	2,039	1,814	0.12	2,039	1,814	0.12
	<u>1,894</u>	<u>1,596</u>	0.19	<u>1,894</u>	<u>1,596</u>	0.19

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 203352-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2025
(The figures have not been audited)
(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.3.2025 RM'000	Preceding year Corresponding Quarter 31.3.2024 RM'000	+ / (-)	Current Year To Date 31.3.2025 RM'000	Preceding year Corresponding Period 31.3.2024 RM'000	+ / (-)
Total comprehensive income/(loss) attributable to :						
Owners of the parent	12	(1,159)	1.01	12	(1,159)	(1.01)
Minority interest	2,039	1,814	0.12	2,039	1,814	0.12
	<u>2,051</u>	<u>655</u>	(2.13)	<u>2,051</u>	<u>655</u>	2.13
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen)	<u>(0.02)</u>	<u>(0.03)</u>		<u>(0.02)</u>	<u>(0.03)</u>	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025
(The figures have not been audited)

	Unaudited 31.3.2025 RM'000	Audited 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,652	37,471
Investment properties	34,303	34,482
Goodwill on consolidation	6,952	6,952
Deferred tax assets	5,197	5,197
	89,104	84,102
Current assets		
Inventories	35	35
Trade and other receivables	45,886	44,423
Contract assets	1,047	1,506
Tax recoverable	365	771
Other current financial assets	4,365	4,895
Cash and bank balances	46,298	44,644
	97,996	96,274
TOTAL ASSETS	187,100	180,376
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(2,144)	(2,301)
Accumulated losses	(19,007)	(18,862)
	44,455	44,443
Non-controlling interest	36,188	34,149
Total equity	80,643	78,592
Non-current liabilities		
Retirement benefit obligation	1,798	1,881
Deferred tax liabilities	1,934	1,934
Lease obligations	183	270
Borrowings	66	143
	3,981	4,228
Current liabilities		
Trade and other payables	38,351	31,871
Contract liabilities	279	279
Lease obligations	652	354
Borrowings	59,804	62,596
Income tax payable	3,390	2,456
	102,476	97,556
Total Liabilities	106,457	101,784
TOTAL EQUITY AND LIABILITIES	187,100	180,376
Net assets per share attributable to equity holders of the parent (RM)	0.07	0.07

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2025
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →		Distributable			Non controlling Interest	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000
At 1 January 2024	65,970	(364)	(3,041)	(14,839)	47,726	32,443	80,169
Total comprehensive income/ (loss) for the period	-	-	(941)	(218)	(1,159)	1,814	655
At 31 March 2024	65,970	(364)	(3,982)	(15,057)	46,567	34,257	80,824
At 1 January 2025	65,970	(364)	(2,301)	(18,862)	44,443	34,149	78,592
Total comprehensive income/ (loss) for the period	-	-	157	(145)	12	2,039	2,051
At 31 March 2025	65,970	(364)	(2,144)	(19,007)	44,455	36,188	80,643

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2025
(The figures have not been audited)

	Cumulative Current Year To Date 31.3.2025 RM'000	Cumulative Corresponding Period 31.3.2024 RM'000
Cash flows from operating activities		
Profit before tax	2,961	2,590
Adjustments for :		
Depreciation of property, plant and equipment	1,728	1,462
Amortisation of investment properties	179	179
Provision for retirement benefit obligations	298	44
Gain on disposal of property, plant and equipment	-	(26)
(Reversal of impairment)/impairment of trade receivables	1	-
Fair value gain on other current financial assets	(5)	-
Unrealised foreign exchange loss/(gain), net	60	(494)
Finance cost	1,028	884
Profit income from deposits	(100)	(140)
Operating profit before working capital changes	6,150	4,499
Working capital changes :		
(Increase)/decrease in inventories	-	(6)
(Increase)/decrease in receivables	(1,504)	(3,442)
Increase/(decrease) in payables	8,240	(3,182)
Cash generated from/(used in) operations	12,886	(2,131)
Retirement benefit obligation paid	(381)	-
Taxation refund/(paid)	(766)	(1,570)
Net cash generated from/(used in) operating activities	11,739	(3,701)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	26
Net withdrawal of unit trust and short-term placement	535	2,798
Purchase of property plant and equipment	(6,898)	(424)
Profits received from deposits	100	125
Net cash flow on acquisition of a subsidiary	-	(8,387)
Withdrawal/(placement) of deposits pledged	92	(9)
Net cash used in investing activities	(6,171)	(5,871)
Cash flows from financing activity		
Net (repayment)/drawdown of borrowings	(3,219)	4,025
Financing cost paid	(1,029)	(884)
Lease payment	(48)	(31)
Net cash (used in)/generated from financing activity	(4,296)	3,110
Net increase/(decrease) in cash and cash equivalents	1,272	(6,462)
Cash and cash equivalents at 1 January 2025/2024	14,889	9,868
Cash and cash equivalents at 31 March 2025/2024	16,161	3,406
Cash and cash equivalents :		
Cash and bank balances	46,298	31,082
Overdraft	(18,046)	(16,194)
	28,252	14,888
Less: Restricted deposits	(12,091)	(11,482)
	16,161	3,406

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Corporate information

Progressive Impact Corporation Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements were approved by the Board of Directors on 13 May 2025.

A2. Basis of preparation

The consolidated condensed interim financial information for the period ended 31 March 2025 is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 "Interim financial reporting" issued by the Malaysian Accounting Standards Board (MASB), Appendix 9B (Part A) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements") and the requirements of the Companies Act, 2016 in Malaysia. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2024, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

A3. MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

Effective for Annual periods commencing on or after 1 January 2025

The Group has adopted the following Amendments to MFRSs mandatory for annual periods beginning on or after 1 January 2025.

	Effective for annual period beginning on or after
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates:	
Lack of Exchangeability	1 January 2025

The adoption of the above pronouncements will have no material impact on the financial statements of the Group.

MFRSs and Amendments to MFRS issued but not yet effective

At the date of authorisation of these interim financial statements, the following Amendments to MFRSs were issued but not yet effective and have not been applied by the Group.

MFRSs and amendments to MFRSs	Effective for annual period beginning on or after
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - 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 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures Amendments to Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2027
	Deferred

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2024.

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

A4. Changes in estimates

There were no changes in estimates of amounts reported in prior financial quarter or financial year that have a material effect in the financial quarter under review.

A5. Changes in composition of the Group

No changes in composition of the Group for the quarter ended 31 March 2025.

A6. Segment information

<u>31 March 2025</u>	Environmental Monitoring, Consultancy & Services RM'000	Lab Testing Services RM'000	Others* RM'000	Elimination RM'000	Cumulative Quarter Year To Date 31.3.2025 RM'000
Segment Revenue					
External revenue	6,681	17,448	422	-	24,551
Inter- segment revenue	-	-	386	(386)	-
Total revenue	6,681	17,448	808	(386)	24,551

Segment Results					
Segment profit/(loss) from operations	(1,010)	5,931	(280)	(652)	3,989
Finance cost	(1,033)	(5)	(588)	598	(1,028)
Income tax expense	-	(1,067)	-	-	(1,067)
Profit net of tax					1,894
Non-controlling interest					(2,039)
Net loss for the period					(145)

<u>31 March 2024</u>	Environmental Monitoring, Consultancy & Services RM'000	Lab Testing Services RM'000	Others* RM'000	Elimination RM'000	Cumulative Quarter Year To Date 31.3.2024 RM'000
Segment Revenue					
External revenue	7,146	15,507	409	-	23,062
Inter- segment revenue	-	-	421	(421)	-
Total revenue	7,146	15,507	830	(421)	23,062

Segment Results					
Segment profit/(loss) from operations	(909)	5,384	(432)	(569)	3,474
Finance cost	(865)	(6)	(575)	562	(884)
Income tax expense	(1)	(993)	-	-	(994)
Profit net of tax					1,596
Non-controlling interest					(1,814)
Net loss for the period					(218)

* The segment denoted as "others" includes the revenue and results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries which do not fall under the environmental monitoring, consultancy and services and lab testing services segments.

The review of the group and segmental performance is further illustrated in Note B1 and B2 of the announcement.

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

A7. Seasonality or cyclical

The Group's performance is not affected by any seasonal or cyclical factors.

A8. Profit before taxation

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2025	31.3.2024	31.3.2025	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging:				
Zakat	135	160	135	160

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2025	31.3.2024	31.3.2025	31.3.2024
	RM'000	RM'000	RM'000	RM'000
Tax expense :				
- Malaysia Income Tax	1,002	861	1,002	861
- Foreign Tax	65	133	65	133
- Deferred Tax	-	-	-	-
	1,067	994	1,067	994
Effective tax rate			36%	38%

The effective tax rate for 2025 and 2024 is higher than the statutory income tax rate of 24% .This is due to the losses incurred by the subsidiary companies which has lowered the basis for the computation of the effective tax rate.

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

A10. Earnings per share

The basic earnings per share for the quarter and cumulative year to date are computed as follow:

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2025	31.3.2024	31.3.2025	31.3.2024
Loss for the period (RM'000)	(145)	(218)	(145)	(218)
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	(0.02)	(0.03)	(0.02)	(0.03)

There is no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the reporting period.

A11. Valuation of property, plant and equipment

The Group measured its land and building at the date of transition at its revalued amounts and uses that amounts as its deemed cost at that date.

A12. Interest bearing loans and borrowings

	31.3.2025 RM'000	31.12.2024 RM'000
Short term borrowings		
Hire purchase	315	315
Overdraft	18,046	18,599
Revolving Credit	22,097	23,270
Term loan	17,905	18,985
Trust receipt	1,441	1,427
	<u>59,804</u>	<u>62,596</u>
Long term borrowings		
Hire purchase	66	143
	<u>66</u>	<u>143</u>
Total borrowings	<u>59,870</u>	<u>62,739</u>

Current period utilisation of additional borrowings relates to its investment and working capital financing.

A13. Trade receivables

	31.3.2025 RM'000	31.12.2024 RM'000
Trade and Other receivable	<u>45,886</u>	<u>44,423</u>

A14. Dividends

No dividends were declared or paid during the current quarter.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

A15. Commitments

	31.3.2025	31.12.2024
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	-	4,282
	<u>-</u>	<u>4,282</u>

A16. Contingent liabilities and contingent assets

There were no material changes in the contingent liabilities and contingent assets since the last audited financial statements for the financial period ended 31 March 2025.

A17. Related party transactions

The transactions between related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

A18. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2025.

A19. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

Share buybacks/ Treasury shares of the Company

	31.3.2025	31.12.2024
	RM'000	RM'000
As at 1 January	364	364
Share buyback	-	-
As at 31 March/December	<u>364</u>	<u>364</u>

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

B EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS : CHAPTER 9, APPENDIX 9B, PART A

B1. Performance review

Review of Group Performance

	Current Year To Date 31.3.2025 RM'000	Preceding Year Corresponding Period 31.3.2024 RM'000	Changes Amount RM'000	Changes +/(-)
Revenue				
Environmental monitoring, consultancy & services	6,681	7,146	(465)	(0.07)
Lab testing services	17,448	15,507	1,941	0.13
Corporate holding and Elimination	422	409	13	0.03
	<u>24,551</u>	<u>23,062</u>	<u>1,489</u>	<u>0.06</u>
Segment results				
Environmental monitoring, consultancy & services	(1,010)	(909)	(101)	(0.11)
Lab testing services	5,931	5,384	547	0.10
Corporate holding and Elimination	(932)	(1,001)	69	0.07
Profit from operations	<u>3,989</u>	<u>3,474</u>	<u>515</u>	<u>0.15</u>
Finance charges	<u>(1,028)</u>	<u>(884)</u>	<u>(144)</u>	<u>(0.16)</u>
Profit before tax	<u>2,961</u>	<u>2,590</u>	<u>371</u>	<u>0.14</u>
Tax expense	<u>(1,067)</u>	<u>(994)</u>	<u>(73)</u>	<u>(0.07)</u>
Profit net of tax	<u>1,894</u>	<u>1,596</u>	<u>298</u>	<u>0.19</u>
Non-controlling interest	<u>(2,039)</u>	<u>(1,814)</u>	<u>(225)</u>	<u>(0.12)</u>
Loss attributable to owners of the Company	<u>(145)</u>	<u>(218)</u>	<u>73</u>	<u>0.33</u>

1.1 Segments Background:

The Group is organised into two operating segments as follows based on products offered and services rendered:

- (a) The environmental monitoring, consultancy and services segment includes the provision of environmental related services in air, water, wastewater and public health.
- (b) The lab testing services segment includes the provision of environmental and food testing and analysis services.

1.2 Group and Segments Analysis

Group Analysis:

The Group recorded an increase in revenue of RM1.5 million compared to the preceding year corresponding period, primarily attributable to higher contributions from the lab testing services segment. As a result, the Group's profit from operations improved by RM0.5 million, supported by higher gross profit recorded in the current financial period.

An analysis of the results of each segment is as follows:

a) Environmental monitoring, consultancy & services

Environmental monitoring, consultancy and services segment contributed 27% from the total Group revenue in the current quarter, decreased by 4% from the preceding year corresponding quarter's contribution.

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

B1. Performance review (cont'd.)

An analysis of the results of each segment is as follows (cont'd):

a) Environmental monitoring, consultancy & services (cont'd.)

The segment's revenue slightly decreased by RM0.5 million or 7% as compared to the preceding year corresponding quarter, contributed by lower revenue generated by the Saudi operation. The segment reported higher loss from operations of RM0.1 million or 11% compared to the preceding year corresponding quarter, due to lower gross profit recorded by both the Malaysia and Saudi operations.

b) Lab testing services

Lab testing services segment contributed 71% of the total Group revenue, increased by 4% from the preceding year corresponding quarter's revenue contribution of 67%.

The segment's revenue increased by RM1.9 million or 13% from the preceding year corresponding quarter's revenue, attributed by higher revenue from both the Malaysia and Indonesia operations, mainly from the Environmental segments. The segment's profit from operations increased by RM0.5 million or 10% compared to the preceding year corresponding quarter as a result of higher revenue recorded by both the Malaysia and Indonesia operations.

The Group's profit after tax increased by 19%, rising from RM1.6 million reported in the preceding year corresponding quarter to RM1.9 million in the current quarter, primarily driven by the strong performance of the lab testing services segment. To capitalized on this positive performance, the Group aims to further strengthen its core segments through continuous improvements in service quality, strategic market expansion and enhanced operational efficiency. We anticipate that these initiatives will contribute to a stronger position moving forward.

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter

	Individual Quarter		Changes	Changes
	Current Quarter 31.3.2025 RM'000	Preceding Quarter 31.12.2024 RM'000	Amount RM'000	+ / (-)
Revenue				
Environmental monitoring, consultancy & services	6,681	8,363	(1,682)	(0.20)
Lab testing services	17,448	21,829	(4,381)	(0.20)
Corporate holding and Elimination	422	410	12	0.03
	<u>24,551</u>	<u>30,602</u>	<u>(6,051)</u>	<u>(0.20)</u>
Segment results				
Environmental monitoring, consultancy & services	(1,010)	(505)	(505)	(1.00)
Lab testing services	5,931	7,643	(1,712)	(0.22)
Corporate holding and Elimination	(932)	(1,125)	193	0.17
Profit from operations	<u>3,989</u>	<u>6,013</u>	<u>(2,024)</u>	<u>(0.34)</u>
Finance charges	<u>(1,028)</u>	<u>(1,936)</u>	908	0.47
Profit before tax	2,961	4,077	(1,116)	(0.27)
Tax Expense	<u>(1,067)</u>	<u>(1,847)</u>	780	0.42
Profit net of tax	1,894	2,230	(336)	(0.15)
Non-controlling interest	<u>(2,039)</u>	<u>(2,406)</u>	367	0.15
Loss attributable to owners of the company	<u>(145)</u>	<u>(176)</u>	31	0.18

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (cont'd)

2.1 Group and Segments Analysis

Group Analysis:

The Group's revenue has decreased by RM6.1 million as compared to the preceding quarter ended 31 December 2024, attributed by lower revenue recorded by both the environmental monitoring, consultancy and services and the lab testing services segments. The Group's profit from operations accordingly, has decreased by RM2.0 million from the preceding quarter as a results of lower gross profit reported by both the segments in the current quarter.

An analysis of the results of each segment is as follows:

a) Environmental monitoring, consultancy & services

Environmental monitoring, consultancy and services segment reported lower revenue of RM6.7 million in the current quarter, a decrease of RM1.7 million or 20% from RM8.4 million in the preceding quarter, mainly due to lower revenue from the Malaysia operation. The segment recorded higher losses from operations of RM1.0 million, an increase of RM0.5 million or 100% from RM0.5 million in the preceding quarter. This was mainly due to lower gross profit reported by the Malaysia operation.

b) Lab testing services

Lab testing services segment's revenue declined by RM4.4 million or 20% from RM21.8 million in the preceding quarter to RM17.4 million in the current quarter, primarily due to lower revenue generated by both the Malaysia and Indonesia operations. Accordingly, the segment's profit from operations declined by RM1.7 million or 22% from RM7.6 million in the preceding quarter to RM5.9 million in the current quarter due to lower gross profit recorded by both the Malaysia and Indonesia operations.

B3. Commentary on prospects

According to the IMF's latest World Economic Outlook report, the swift escalation of trade tensions and extremely high levels of policy uncertainty due to the recent introduction of new tariff measures by the US and countermeasures by its trading partners are expected to have a significant impact on global economic activity. Global growth is projected to drop to 2.8% in 2025 and 3.0% in 2026. For Malaysia, the GDP growth is projected at 4.1% for 2025 and 3.8% for 2026.

Malaysia's GDP expected to grow 4.4% in Q1 2025 (Q4 2024: 5.0%). The economy's performance was driven by positive growth in the Services, Manufacturing and Construction sectors.

PICORP's ongoing turnaround strategy continues to deliver encouraging results. In the current quarter under review, profit before tax increased by 14%, rising from RM2.6 million to RM3.0 million. Similarly, profit after tax grew by 19% from RM1.6 million to RM1.9 million, compared to the preceding year corresponding quarter. These positive outcomes reflect strengthened operational performance, driven by continuous process improvements, disciplined cost management and the strategic initiatives under the turnaround plan. The Group remains confident in sustaining its positive trajectory in the quarters ahead.

To drive sustainable growth and enhance financial performance in a changing global landscape, PICORP is executing a focused strategy aimed at strengthening core business segments and capturing new market opportunities. Key initiatives include the promotion of our innovative water treatment solutions and the expansion of agrochemical laboratory services in Malaysia and Indonesia. We are also pursuing high-potential opportunities such as securing a major environmental monitoring contract with a leading oil company and entering new markets in Saudi Arabia by leveraging Saudi ASMA's strong recognition in Integrated Pest Management (IPM).

FOR THE FIRST QUARTER ENDED 31 MARCH 2025
SELECTED EXPLANATORY NOTES

B3. Commentary on prospects (cont'd)

In parallel, and in response to potential impacts from the new U.S. tariff policy, PICORP is reinforcing operational resilience through a series of prudent measures. These include intensifying business development efforts to secure new orders, accelerating project execution to improve billing and cash flow, and strengthening cost discipline by renegotiating supplier contracts, eliminating non-essential expenditures, optimizing manpower, and streamlining operations. We are also prioritizing effective cash management by maintaining sufficient reserves, ensuring access to reliable financing, and meeting financial obligations promptly. Together, these integrated efforts will position PICORP to remain agile, competitive, and financially resilient in the face of increased global uncertainties.

We anticipate continued improvement in our position throughout 2025, subject to prevailing market conditions and the absence of unforeseen disruptions

B4. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

B5. Corporate proposals

There were no corporate proposal issued by the group for quarter ended 31 March 2025.

B6. Disclosure of gains/(losses) arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2025.

B7. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

B8. Changes in Material Litigation

There is no material litigation in the current quarter.

B9. Dividend

The Company does not recommend any payment of dividend in respect of the financial year ended 31 December 2024.

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2024 was not qualified.

By order of the Board
PROGRESSIVE IMPACT CORPORATION BERHAD
Hajjah Zaidah Binti Haji Mohd Salleh
Company Secretary (MIA 3313)

Shah Alam