

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2025 RM'000	Preceding year Corresponding Quarter 30.9.2024 RM'000	+ / (-)	Current Year To Date 30.9.2025 RM'000	Preceding year Corresponding Period 30.9.2024 RM'000	+ / (-)
Revenue	28,040	23,550	0.19	80,703	71,411	0.13
Cost of sales	(7,985)	(6,242)		(25,369)	(24,638)	
Gross profit	20,055	17,308	0.16	55,334	46,773	0.18
Profit income	112	115		324	374	
Other income	259	876		894	1,983	
Staff costs	(6,946)	(7,325)		(22,011)	(22,278)	
Depreciation and amortisation	(1,779)	(1,451)		(5,261)	(4,777)	
Other operating expenses	(3,343)	(6,884)		(11,425)	(13,106)	
Profit from operations	8,358	2,639	2.17	17,855	8,969	0.99
Finance costs	(1,378)	(1,120)		(4,169)	(4,072)	
Profit before tax	6,980	1,519	3.60	13,686	4,897	1.79
Income tax expense	(3,412)	(1,284)		(5,535)	(3,418)	
Profit net of tax	3,568	235	14.18	8,151	1,479	4.51
Other comprehensive income:						
Foreign currency translation	(1,482)	4,099		(1,158)	2,582	
Total comprehensive income for the period	2,086	4,334	(0.52)	6,993	4,061	0.72
Net Profit/(Loss) attributable to:						
Owners of the parent	490	(1,629)	1.30	20	(3,846)	1.01
Minority interest	3,078	1,864	0.65	8,131	5,325	0.53
	3,568	235	14.18	8,151	1,479	4.51

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025
(The figures have not been audited)
(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2025 RM'000	Preceding year Corresponding Quarter 30.9.2024 RM'000	+/(-)	Current Year To Date 30.9.2025 RM'000	Preceding year Corresponding Period 30.9.2024 RM'000	+/(-)
Total comprehensive income/(loss) attributable to :						
Owners of the parent	(992)	2,470	1.40	(1,138)	(1,264)	0.10
Minority interest	3,078	1,864	0.65	8,131	5,325	0.53
	2,086	4,334	(0.52)	6,993	4,061	0.72
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen)	0.07	(0.25)		0.00	(0.59)	

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 30 SEPTEMBER 2025
(The figures have not been audited)

	Unaudited 30.9.2025 RM'000	Audited 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,524	37,471
Investment properties	33,946	34,482
Goodwill on consolidation	6,952	6,952
Deferred tax assets	3,157	5,197
	86,579	84,102
Current assets		
Inventories	35	35
Trade and other receivables	48,606	44,423
Contract assets	2,055	1,506
Tax recoverable	253	771
Other current financial assets	4,130	4,895
Cash and bank balances	44,038	44,644
	99,117	96,274
TOTAL ASSETS	185,696	180,376
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(3,459)	(2,301)
Accumulated losses	(18,842)	(18,862)
	43,305	44,443
Non-controlling interest	39,820	34,149
Total equity	83,125	78,592
Non-current liabilities		
Retirement benefit obligation	1,494	1,881
Deferred tax liabilities	1,934	1,934
Lease obligations	42	270
Borrowings	143	143
	3,613	4,228
Current liabilities		
Trade and other payables	33,391	31,871
Contract liabilities	252	279
Lease obligations	525	354
Borrowings	62,141	62,596
Income tax payable	2,649	2,456
	98,958	97,556
Total Liabilities	102,571	101,784
TOTAL EQUITY AND LIABILITIES	185,696	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 THIRD QUARTER ENDED 30 SEPTEMBER 2025
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →		Distributable			Non	Total
	Share	Treasury	Other	Retained	Total	controlling	Equity
	Capital	Shares	Reserves	Profits	RM'000	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	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	-	-	2,582	(3,846)	(1,264)	5,325	4,061
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)
At 30 September 2024	65,970	(364)	(459)	(18,685)	46,462	35,308	81,770
At 1 January 2025	65,970	(364)	(2,301)	(18,862)	44,443	34,149	78,592
Total comprehensive income/ (loss) for the period	-	-	(1,158)	20	(1,138)	8,131	6,993
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)
At 30 September 2025	65,970	(364)	(3,459)	(18,842)	43,305	39,820	83,125

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 THIRD QUARTER ENDED 30 SEPTEMBER 2025
(The figures have not been audited)

	Cumulative Current Year To Date 30.9.2025 RM'000	Cumulative Corresponding Period 30.9.2024 RM'000
Cash flows from operating activities		
Profit before tax	13,686	4,897
Adjustments for :		
Depreciation of property, plant and equipment	4,725	4,241
Amortisation of investment properties	536	536
Provision for retirement benefit obligations	183	134
Gain on disposal of property, plant and equipment	(1)	(51)
Impairment/(reversal of impairment) of trade receivables	1	(741)
Unrealised foreign exchange loss/(gain), net	1,529	3,424
Finance cost	4,169	4,072
Profit income from deposits	(324)	(374)
Operating profit before working capital changes	24,504	16,138
Working capital changes :		
Increase in receivables	(4,184)	(2,871)
Increase in payables	(1,474)	(3,691)
Cash generated from operations	18,846	9,576
Retirement benefit obligation paid	(428)	(95)
Taxation (paid)/refund	(2,784)	(3,960)
Net cash generated from operating activities	15,634	5,521
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	735	1,614
Net withdrawal of unit trust/short term placement	520	11,093
Purchase of property plant and equipment	(10,393)	(3,195)
Profits received from deposits	324	352
Net cash flow on acquisition of a subsidiary	-	(8,387)
Placement of deposits pledged	(43)	44
Net cash (used in)/generated from investing activities	(8,857)	1,521
Cash flows from financing activity		
Net (repayment)/drawdown of borrowings	(960)	(660)
Dividend paid to non-controlling interest	(2,460)	(2,460)
Financing cost paid	(4,169)	(4,072)
Lease payment	(342)	(62)
Net cash used in financing activity	(7,931)	(7,254)
Net increase in cash and cash equivalents	(1,154)	(212)
Cash and cash equivalents at 1 January 2025/2024	13,985	9,868
Cash and cash equivalents at 30 September 2025/2024	12,831	9,656
Cash and cash equivalents :		
Cash and bank balances	44,038	39,588
Overdraft	(19,104)	(18,503)
	24,934	21,085
Less: Restricted deposits	(12,103)	(11,429)
	12,831	9,656

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 25 November 2025.

A2. Basis of preparation

The consolidated condensed interim financial information for the period ended 30 September 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	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 interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2024.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2025.

A6. Segment information

<u>30 September 2025</u>	Environmental Monitoring, Consultancy & <u>Services</u> RM'000	Lab Testing <u>Services</u> RM'000	<u>Others*</u> RM'000	<u>Elimination</u> RM'000	Cumulative Quarter Year To Date <u>30.9.2025</u> RM'000
Segment Revenue					
External revenue	20,231	58,194	2,278	-	80,703
Inter- segment revenue	-	597	3,742	(4,339)	-
Total revenue	<u>20,231</u>	<u>58,791</u>	<u>6,020</u>	<u>(4,339)</u>	<u>80,703</u>
Segment Results					
Segment profit/(loss) from operations	(2,438)	23,546	1,765	(5,018)	17,855
Finance cost	(3,861)	(30)	(1,764)	1,486	(4,169)
Income tax expense	(2,040)	(4,144)	649	-	(5,535)
Profit net of tax					<u>8,151</u>
Non-controlling interest					(8,131)
Net loss for the period					<u>20</u>

<u>30 September 2024</u>	Environmental Monitoring, Consultancy & <u>Services</u> RM'000	Lab Testing <u>Services</u> RM'000	<u>Others*</u> RM'000	<u>Elimination</u> RM'000	Cumulative Quarter Year To Date <u>30.9.2024</u> RM'000
Segment Revenue					
External revenue	21,594	47,704	2,113	-	71,411
Inter- segment revenue	-	1,104	3,886	(4,990)	-
Total revenue	<u>21,594</u>	<u>48,808</u>	<u>5,999</u>	<u>(4,990)</u>	<u>71,411</u>
Segment Results					
Segment profit/(loss) from operations	(4,211)	16,248	2,111	(5,179)	8,969
Finance cost	(4,043)	(18)	(1,730)	1,719	(4,072)
Income tax expense	(1)	(3,417)	-	-	(3,418)
Profit net of tax					<u>1,479</u>
Non-controlling interest					(5,325)
Net loss for the period					<u>(3,846)</u>

* 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 9 months ended	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging:				
Zakat	135	240	405	640

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
	RM'000	RM'000	RM'000	RM'000
Tax expense :				
- Malaysia Income Tax	3,359	1,218	5,364	3,150
- Foreign Tax	53	66	171	268
- Deferred Tax	-	-	-	-
	3,412	1,284	5,535	3,418
Effective tax rate			40%	70%

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.

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 9 months ended	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
Profit/(Loss) for the period (RM'000)	490	(1,629)	20	(3,846)
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	0.07	(0.25)	0.00	(0.59)

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.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025
SELECTED EXPLANATORY NOTES

A12. Interest bearing loans and borrowings

	30.9.2025	31.12.2024
	RM'000	RM'000
Short term borrowings		
Hire purchase	81	315
Overdraft	19,104	18,599
Revolving Credit	22,097	23,270
Term loan	18,611	18,985
Trust receipt	2,248	1,427
	<u>62,141</u>	<u>62,596</u>
Long term borrowings		
Hire purchase	143	143
	<u>143</u>	<u>143</u>
Total borrowings	<u>62,284</u>	<u>62,739</u>

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

A13. Trade receivables

	30.9.2025	31.12.2024
	RM'000	RM'000
Trade and Other receivable	48,606	44,423

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	30.9.2025	31.12.2024
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	517	4,282
	<u>517</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 30 September 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 30 September 2025.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025
SELECTED EXPLANATORY NOTES

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

Share buybacks/ Treasury shares of the Company

	30.9.2025	31.12.2024
	RM'000	RM'000
As at 1 January	364	364
Share buyback	-	-
As at 30 September/December	<u>364</u>	<u>364</u>

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30.9.2025 RM'000	Preceding Year Corresponding Period 30.9.2024 RM'000	Changes Amount RM'000	Changes + / (-)
<u>Revenue</u>				
Environmental monitoring, consultancy & services	20,231	21,594	(1,363)	(0.06)
Lab testing services	58,791	48,808	9,983	0.20
Corporate holding and Elimination	1,681	1,009	672	0.67
	<u>80,703</u>	<u>71,411</u>	<u>9,292</u>	<u>0.13</u>
<u>Segment results</u>				
Environmental monitoring, consultancy & services	(2,438)	(4,211)	1,773	0.42
Lab testing services	23,546	16,248	7,298	0.45
Corporate holding and Elimination	(3,253)	(3,068)	(185)	(0.06)
Profit from operations	<u>17,855</u>	<u>8,969</u>	<u>8,886</u>	<u>0.99</u>
Finance charges	(4,169)	(4,072)	(97)	(0.02)
Profit before tax	<u>13,686</u>	<u>4,897</u>	<u>8,789</u>	<u>1.79</u>
Tax expense	(5,535)	(3,418)	(2,117)	(0.62)
Profit net of tax	<u>8,151</u>	<u>1,479</u>	<u>6,672</u>	<u>4.51</u>
Non controlling interest	(8,131)	(5,325)	(2,806)	(0.53)
Profit/(Loss) attributable to owners of the Company	<u>20</u>	<u>(3,846)</u>	<u>3,866</u>	<u>1.01</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 RM9.3 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 RM8.9 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 25% from the total Group revenue in the current period, decreased by 5% from the preceding year corresponding period's contribution.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 decreased by 6% or RM1.4 million compared to the preceding year corresponding period, due to lower revenue generated by the Saudi operation. The segment reported a lower operating loss of RM1.8 million compared to the preceding year corresponding period, primarily due to reduced operating expenses from the Saudi operation, arising from lower foreign exchange translation losses on amount due to holding and related companies.

b) Lab testing services

Lab testing services segment contributed 73% of the total Group revenue, increased by 5% from the preceding year corresponding period's revenue contribution of 68%.

The segment's revenue increased by 20% or RM10.0 million compared to the preceding year corresponding period, attributed by higher revenue from both the Malaysia and Indonesia operations, primarily from the Environmental segments. The segment's profit from operations increased by 45% or RM7.3 million compared to the preceding year corresponding period, resulting from higher revenue recorded by both the Malaysia and Indonesia operations.

The Group's profit after tax increased by more than 100% to RM8.2 million from RM1.5 million in the preceding year corresponding period, mainly supported by the strong performance of the lab testing services segment. Moving forward, the Group will continue to focus on strengthening its core segments through continuous improvements in service quality, strategic market expansion and enhanced operational efficiency. These initiatives are anticipated to contribute positively to the Group's future performance.

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

	Individual Quarter		Changes	Changes
	Current Quarter	Preceding Quarter		
	30.9.2025	30.6.2025	Amount	
	RM'000	RM'000	RM'000	+ / (-)
Revenue				
Environmental monitoring, consultancy & services	6,232	7,318	(1,086)	(0.15)
Lab testing services	21,128	20,215	913	0.05
Corporate holding and Elimination	680	579	101	0.17
	<u>28,040</u>	<u>28,112</u>	<u>(72)</u>	<u>(0.00)</u>
Segment results				
Environmental monitoring, consultancy & services	(33)	(1,395)	1,362	0.98
Lab testing services	9,252	8,363	889	0.11
Corporate holding and Elimination	(861)	(1,460)	599	0.41
Profit from operations	<u>8,358</u>	<u>5,508</u>	<u>2,850</u>	<u>0.52</u>
Finance charges	<u>(1,378)</u>	<u>(1,763)</u>	<u>385</u>	<u>0.22</u>
Profit before tax	<u>6,980</u>	<u>3,745</u>	<u>3,235</u>	<u>0.86</u>
Tax expense	<u>(3,412)</u>	<u>(1,056)</u>	<u>(2,356)</u>	<u>(2.23)</u>
Profit net of tax	<u>3,568</u>	<u>2,689</u>	<u>879</u>	<u>0.33</u>
Non controlling interest	<u>(3,078)</u>	<u>(3,014)</u>	<u>(64)</u>	<u>(0.02)</u>
Profit/(Loss) attributable to owners of the Company	<u>490</u>	<u>(325)</u>	<u>815</u>	<u>2.51</u>

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 slightly decreased by RM0.1 million as compared to the preceding quarter ended 30 June 2025, attributed by lower revenue recorded by the environmental monitoring, consultancy and services segment. The Group's profit from operations however, has increased by 52% or RM2.9 million from the preceding quarter as a results of higher contributions from all 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 contributed 22% to the Group's total revenue in the current quarter, a decreased by 4% from the preceding quarter's contribution. The segment's revenue decreased by 15% or RM1.1 million in the current quarter compared to the preceding quater, contributed by lower revenue from both the Malaysia and Saudi operations. The segment reported lower loss from operations of 98% or RM1.4 million from the preceding quarter. This was mainly due to reduced operating expenses from the Saudi operation arising from lower foreign exchange translation losses on amount due to holding and related companies.

b) Lab testing services

Lab testing services segment contributed 75% of the total Group revenue, slightly increased by 3% from the preceding quarter's revenue contribution of 72%. The segment's revenue increased by 5% or RM0.9 million from the preceding quarter, primarily due to higher revenue generated by the Indonesia operation. The segment's profit from operations increased by 11% or RM0.9 million compared to the preceding quarter, driven by higher contribution from the Indonesia operation.

B3. Commentary on prospects

The October 2025 IMF World Economic Outlook notes that the global economy faces a volatile environment amid policy shifts and trade uncertainties. Global growth is expected to have slight slow down from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026, while global headline inflation - projected in July 2025 at 4.2% in 2025 and 3.6% in 2026 - is easing, though with significant variation across countries, remaining above target in the U.S. and subdued elsewhere. Downside risks include ongoing protectionism, labor-supply shocks, fiscal vulnerabilities, and potential financial market corrections.

For Malaysia, the economy is expected to grow between 4.0% and 4.8% in 2025, and between 4.0% and 4.5% in 2026, supported by robust domestic demand, a stable labour market, recovering tourism, infrastructure investment, and a more resilient export environment. Headline inflation is projected at around 1.0%-2.0% in 2025 and 1.3%-2.0% in 2026, as domestic cost pressures remain contained and external inflationary impulses moderate. Bank Negara Malaysia (BNM) has maintained the overnight policy rate (OPR) at 2.75%.

PICORP's ongoing turnaround strategy continues to deliver encouraging results. In the current period under review, profit before tax increased by more than 100%, rising from RM5.5 million to RM14.1 million. Similarly, profit after tax grew by more than 100% from RM1.5 million to RM8.2 million, compared to the preceding year corresponding period. These strong results reflect the Group's improved operational efficiency, driven by continuous process improvements, disciplined cost management and the effective execution of strategic initiatives under the turnaround plan. The Group remains confident in sustaining this positive momentum for the remainder of the year.

To drive sustainable growth and enhance financial performance in a changing global landscape, PICORP is executing a focused strategy aimed at strengthening its core business segments and capturing new market opportunities. Key initiatives include promoting our innovative water treatment solutions and expanding agrochemical laboratory services in Malaysia and Indonesia. We are also maintaining a strong focus on the Integrated Pest Management (IPM) segment, targeting potential key accounts and penetrating the Saudi market by leveraging Saudi ASMA's strong industry recognition in IPM.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025
SELECTED EXPLANATORY NOTES

B3. Commentary on prospects (cont'd.)

With continued execution of the enhanced EMCS turnaround plan, the Group expects further performance improvements in 2025 and beyond, barring unforeseen disruptions or significant market shifts.

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 30 September 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 30 September 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