

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.12.2024 RM'000	Preceding year Corresponding Quarter 31.12.2023 RM'000	+ / (-)	Current Year To Date 31.12.2024 RM'000	Preceding year Corresponding Period 31.12.2023 RM'000	+ / (-)
Revenue	30,604	26,040	0.18	102,015	92,036	0.11
Cost of sales	(14,945)	(10,422)		(39,583)	(39,290)	
Gross profit	15,659	15,618	0.00	62,432	52,746	0.18
Profit income	182	270		556	834	
Other income	1,037	(443)		3,020	3,902	
Staff costs	(7,147)	(5,989)		(29,425)	(24,911)	
Depreciation and amortisation	(1,404)	(1,357)		(6,181)	(6,877)	
Other operating expenses	(2,105)	(3,423)		(15,211)	(14,411)	
Profit from operations	6,222	4,676	0.33	15,191	11,283	0.35
Finance costs	(1,906)	(2,018)		(5,978)	(4,952)	
Profit before tax	4,316	2,658	0.62	9,213	6,331	0.46
Income tax expense	(1,853)	(2,205)		(5,271)	(3,726)	
Profit net of tax	2,463	453	4.44	3,942	2,605	0.51
Other comprehensive income:						
Foreign currency translation	(2,500)	626		82	(330)	
Actuarial loss on retirement benefit	-	(168)		-	(168)	
Total comprehensive income/(loss) for the period	(37)	911	1.04	4,024	2,107	0.91
Net Profit/(Loss) attributable to:						
Owners of the parent	(155)	(636)	0.76	(4,001)	(3,582)	(0.12)
Non-controlling interest	2,618	1,089	1.40	7,943	6,187	0.28
	2,463	453	4.44	3,942	2,605	0.51

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(The figures have not been audited)
(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.12.2024 RM'000	Preceding year Corresponding Quarter 31.12.2023 RM'000	+ / (-)	Current Year To Date 31.12.2024 RM'000	Preceding year Corresponding Period 31.12.2023 RM'000	+ / (-)
Total comprehensive income/(loss) attributable to :						
Owners of the parent	(2,655)	(601)	(3.42)	(3,919)	(4,503)	(0.13)
Minority interest	2,618	1,512	0.73	7,943	6,610	0.20
	(37)	911	1.04	4,024	2,107	0.91
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen)	(0.02)	(0.10)		(0.61)	(0.55)	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 DECEMBER 2024
(The figures have not been audited)

	Unaudited 31.12.2024 RM'000	Audited 31.12.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,024	39,915
Investment properties	34,482	35,196
Goodwill on consolidation	6,952	6,952
Deferred tax assets	5,197	5,197
	83,655	87,260
Current assets		
Inventories	35	35
Trade and other receivables	45,023	38,484
Contract assets	1,506	2,960
Tax recoverable	892	911
Other current financial assets	4,895	15,869
Cash and bank balances	46,563	39,037
	98,914	97,296
TOTAL ASSETS	182,569	184,556
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(2,959)	(3,041)
Accumulated losses	(18,840)	(14,839)
	43,807	47,726
Non-controlling interest	34,980	32,443
Total equity	78,787	80,169
Non-current liabilities		
Retirement benefit obligation	1,895	1,778
Deferred tax liabilities	2,541	2,541
Lease obligations	5	565
Borrowings	143	201
	4,584	5,085
Current liabilities		
Trade and other payables	33,562	36,093
Contract liabilities	279	1,050
Lease obligations	195	596
Borrowings	62,572	58,684
Income tax payable	2,590	2,879
	99,198	99,302
Total Liabilities	103,782	104,387
TOTAL EQUITY AND LIABILITIES	182,569	184,556
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 2023 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 FOURTH QUARTER ENDED 31 DECEMBER 2024
(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		Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	65,970	(364)	(2,119)	(11,257)	52,230	31,495	83,725
Total comprehensive income/ (loss) for the period	-	-	(922)	(3,582)	(4,504)	6,610	2,106
Dividends payable to non-controlling interest	-	-	-	-	-	(5,662)	(5,662)
At 31 December 2023	65,970	(364)	(3,041)	(14,839)	47,726	32,443	80,169
At 1 January 2024	65,970	(364)	(3,041)	(14,839)	47,726	32,443	80,169
Total comprehensive income/ (loss) for the period	-	-	82	(4,001)	(3,919)	7,943	4,024
Dividends payable to non-controlling interest	-	-	-	-	-	(5,406)	(5,406)
At 31 December 2024	65,970	(364)	(2,959)	(18,840)	43,807	34,980	78,787

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 2023.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(The figures have not been audited)

	Cumulative Current Year To Date 31.12.2024 RM'000	Cumulative Corresponding Period 31.12.2023 RM'000
Cash flows from operating activities		
Profit before tax	9,213	6,331
Adjustments for :		
Depreciation of property, plant and equipment	5,466	6,162
Amortisation of investment properties	715	715
Provision for retirement benefit obligations	212	469
Gain on disposal of property, plant and equipment	(39)	(1,212)
Gain on derecognition of rights of use of assets	-	(103)
(Reversal of impairment)/impairment of trade receivables	(384)	1,532
Fair value gain on other current financial assets	(26)	(234)
Unrealised foreign exchange loss/(gain), net	776	(1,671)
Finance cost	5,978	4,952
Profit income from deposits	(530)	(683)
Operating profit before working capital changes	21,381	16,258
Working capital changes :		
Decrease in inventories	-	28
(Increase)/decrease in receivables	(4,700)	4,117
Increase in payables	3,491	585
Cash generated from operations	20,172	20,988
Retirement benefit obligation paid	(95)	(634)
Taxation paid	(5,541)	(4,193)
Net cash generated from operating activities	14,536	16,161
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	2,543	2,313
Net withdrawal of unit trust	11,001	3,080
Purchase of property plant and equipment	(5,080)	(4,245)
Profits received from deposits	529	683
Net cash flow on acquisition of a subsidiary	(8,387)	213
Placement of deposits pledged	(611)	(331)
Net cash (used in)/generated from investing activities	(5)	1,713
Cash flows from financing activity		
Net drawdown of borrowings	2,926	1,245
Dividend paid to non-controlling interest	(5,406)	(5,663)
Financing cost paid	(5,977)	(4,956)
Lease payment	(62)	(329)
Net cash used in financing activity	(8,519)	(9,703)
Net increase in cash and cash equivalents	6,012	8,171
Cash and cash equivalents at 1 January 2024/2023	9,868	1,697
Cash and cash equivalents at 31 December 2024/2023	15,880	9,868
Cash and cash equivalents :		
Cash and bank balances	46,563	39,037
Overdraft	(18,599)	(17,696)
	27,964	21,341
Less: Restricted deposits	(12,084)	(11,473)
	15,880	9,868

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
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 February 2025.

A2. Basis of preparation

The consolidated condensed interim financial information for the year ended 31 December 2024 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 2023, 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 2024

The Group has adopted the following Amendments to MFRSs mandatory for annual periods beginning on or after 1 January 2024.

	Effective for annual period beginning on or after
Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 107 Statement of Cashflows and MFRS 7 Financial Instruments Disclosure: Supplier Finance Arrangements	1 January 2024

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 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures: 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 2023.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
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 December 2024.

A6. Segment information

<u>31 December 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>31.12.2024</u> RM'000
Segment Revenue					
External revenue	29,956	69,239	2,820	-	102,015
Inter- segment revenue	-	1,401	7,539	(8,940)	-
Total revenue	<u>29,956</u>	<u>70,640</u>	<u>10,359</u>	<u>(8,940)</u>	<u>102,015</u>
Segment Results					
Segment profit/(loss) from operations	(4,922)	24,284	5,218	(9,389)	15,191
Finance cost	6,018	23	2,331	(2,394)	5,978
Income tax expense	1	5,270	-	-	5,271
Profit net of tax					<u>3,942</u>
Non-controlling interest					<u>(7,943)</u>
Net loss for the period					<u>(4,001)</u>

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
SELECTED EXPLANATORY NOTES

A6. Segment information (cont'd)

<u>31 December 2023</u>	Environmental Monitoring, Consultancy & Services RM'000	Lab Testing Services RM'000	Others* RM'000	Elimination RM'000	Cumulative Quarter Year To Date 31.12.2023 RM'000
Segment Revenue					
External revenue	30,476	58,698	2,862	-	92,036
Inter- segment revenue	260	1,150	7,532	(8,942)	-
Total revenue	30,736	59,848	10,394	(8,942)	92,036
Segment Results					
Segment profit/(loss) from operations	(5,320)	19,446	6,319	(9,162)	11,283
Finance cost	(4,715)	(26)	(2,312)	2,101	(4,952)
Income tax expense	685	(4,426)	15	-	(3,726)
Profit net of tax					2,605
Non-controlling interest					(6,187)
Net loss for the period					(3,582)

* 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.

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 12 months ended	
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Profit before taxation is arrived at after charging:				
Zakat	(175)	84	465	517

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Tax expense :				
- Malaysia Income Tax	1,787	1,359	4,937	3,784
- Foreign Tax	66	188	334	627
- Deferred Tax	-	658	-	(685)
	1,853	2,205	5,271	3,726
Effective tax rate			57%	59%

The effective tax rate for 2024 and 2023 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 FOURTH QUARTER ENDED 31 DECEMBER 2024
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 12 months ended	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Loss for the period (RM'000)	(155)	(636)	(4,001)	(3,582)
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)	(0.10)	(0.61)	(0.55)

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

	31.12.2024 RM'000	31.12.2023 RM'000
Short term borrowings		
Hire purchase	315	90
Overdraft	18,599	17,696
Revolving Credit	23,246	23,796
Term loan	18,984	15,761
Trust receipt	1,428	1,341
	<u>62,572</u>	<u>58,684</u>
Long term borrowings		
Hire purchase	143	201
	<u>143</u>	<u>201</u>
Total borrowings	<u>62,715</u>	<u>58,885</u>

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

A13. Trade receivables

	31.12.2024 RM'000	31.12.2023 RM'000
Trade and Other receivable	<u>45,023</u>	<u>38,484</u>

A14. Dividends

No dividends were declared or paid during the current quarter.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
SELECTED EXPLANATORY NOTES

A15. Commitments

	31.12.2024	31.12.2023
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	-	996
	<u>-</u>	<u>996</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 year ended 31 December 2023.

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 year ended 31 December 2024.

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

Share buybacks/ Treasury shares of the Company

	31.12.2024	31.12.2023
	RM'000	RM'000
As at 1 January	364	364
Share buyback	-	-
As at 31 December	<u>364</u>	<u>364</u>

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
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 31.12.2024 RM'000	Preceding Year Corresponding Period 31.12.2023 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental monitoring, consultancy & services	29,956	30,736	(780)	(0.03)
Lab testing services	70,640	59,848	10,792	0.18
Corporate holding and Elimination	1,419	1,452	(33)	(0.02)
	102,015	92,036	9,979	0.11
Segment results				
Environmental monitoring, consultancy & services	(4,922)	(5,320)	398	0.07
Lab testing services	24,284	19,446	4,838	0.25
Corporate holding and Elimination	(4,171)	(2,843)	(1,328)	(0.47)
Profit from operations	15,191	11,283	3,908	0.35
Finance charges	(5,978)	(4,952)	(1,026)	(0.21)
Profit before tax	9,213	6,331	2,882	0.46
Tax expense	(5,271)	(3,726)	(1,545)	(0.41)
Profit net of tax	3,942	2,605	1,337	0.51
Non-controlling interest	(7,943)	(6,187)	(1,756)	(0.28)
Loss attributable to owners of the Company	(4,001)	(3,582)	(419)	(0.12)

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 reported higher revenue by RM10 million as compared to the preceding year corresponding period as a result of higher revenue recorded by the lab testing services segment. Accordingly, the Group's profit from operations increased by RM3.9 million as a result of 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 29% from the total Group revenue in the current year, decreased by 4% from the preceding year's contribution.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
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 RM0.8 million or 3% as compared to the preceding year, contributed by lower revenue generated by the Saudi operation. The segment reported lower loss from operations by RM0.4 million as compared to the preceding year due to higher gross profit and significant increase in the gross margin from the Malaysia operation.

b) Lab testing services

Lab testing services segment contributed 69% of the total Group revenue, increased by 4% from the preceding year's revenue contribution of 65%.

The segment's revenue increased by RM10.8 million or 18% from the preceding year's revenue, contributed by higher revenue from Malaysia operation, resulting from higher revenue contribution by all the segments mainly the Environmental and the new lab testing services segment, i.e: Agrochemical testing services, acquired in the prior year. The segment's profit from operations increased by 25% or RM4.8 million compared to the preceding year as a result of higher revenue recorded by the Malaysia operation.

The Group's profit after tax has increased by 51% from RM2.6 million reported in the preceding year to RM3.9 million in the current year, with the inclusion of the agrochemical segment contributing to the overall improvement of the Group's results. To build on this momentum, we are implementing several revenue growth strategies, including the promotion of our newly launched water treatment solutions and agrochemical lab services. Additionally, we are focusing on cost optimisation and margin improvement initiatives. We anticipate that these efforts will strengthen our position in the coming year.

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		
	31.12.2024	30.9.2024	Amount	
	RM'000	RM'000	RM'000	+ / (-)
Revenue				
Environmental monitoring, consultancy & services	8,362	6,509	1,853	0.28
Lab testing services	21,832	16,999	4,833	0.28
Corporate holding and Elimination	410	42	368	8.76
	<u>30,604</u>	<u>23,550</u>	<u>7,054</u>	<u>0.30</u>
Segment results				
Environmental monitoring, consultancy & services	(711)	(2,229)	1,518	0.68
Lab testing services	8,036	5,782	2,254	0.39
Corporate holding and Elimination	(1,103)	(914)	(189)	(0.21)
Profit from operations	<u>6,222</u>	<u>2,639</u>	<u>3,583</u>	<u>1.36</u>
Finance charges	(1,906)	(1,120)	(786)	(0.70)
Profit before tax	<u>4,316</u>	<u>1,519</u>	<u>2,797</u>	<u>1.84</u>
Tax Expense	(1,853)	(1,284)	(569)	(0.44)
Profit net of tax	<u>2,463</u>	<u>235</u>	<u>2,228</u>	<u>9.48</u>
Non-controlling interest	(2,618)	(1,864)	(754)	(0.40)
Loss attributable to owners of the company	<u>(155)</u>	<u>(1,629)</u>	<u>1,474</u>	<u>0.90</u>

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
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 increased by RM7.1 million as compared to the preceding quarter ended 30 September 2024, contributed by higher revenue recorded by both the environmental monitoring, consultancy and services and the lab testing services segments. The Group's profit from operations accordingly, has increased by RM3.6 million from the preceding quarter as a results of higher gross margin 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 higher revenue by RM1.9 million or 28% as compared to the preceding quarter, contributed by higher revenue recorded by the Malaysia operation. The segment reported higher profit from operations by RM1.5 million as compared to the preceding quarter ended 30 September 2024, due to higher and improved gross margin by the Malaysia operation in the current quarter.

b) Lab testing services

Lab testing services segment reported higher revenue by RM4.8 million in the current quarter as compared to the preceding quarter, contributed by higher revenue from both the Malaysia and Indonesia operations. Accordingly, the segment's profit from operations increased by RM2.3 million as compared to the preceding quarter, contributed by higher gross profit recorded by both the Malaysia and Indonesia operations in the current quarter.

B3. Commentary on prospects

According to the IMF's latest World Economic Outlook report, global economic growth is expected to remain stable at 3.2% in 2024 and 3.3% both in 2025 and 2026. Global headline inflation is expected to decline from 5.8% in 2024 to 4.2% in 2025 and 3.5% in 2026. For Malaysia, the GDP growth is projected at 5.0% for 2024, 4.7% for 2025 and 4.4% for 2026.

Malaysia's GDP expected to grow 4.8% in Q4 (Q3: 5.3%), reaching 5.1% for 2024. The economy's performance was driven by positive growth in the Services, Manufacturing and Construction sectors.

PICORP's turnaround strategy has yielded positive results in 2024. In the current quarter, our profit before tax has risen by more than 100%, increasing from RM1.5 million to RM4.3 million as compared to the preceding quarter. Correspondingly, our profit after tax has increased by more than 100%, or RM2.2 million as compared to preceding quarter.

In 2024, the company recorded an 11% year-over-year (YoY) revenue growth, primarily driven by strong performance in the Laboratory Testing Services (LTS) segment. Gross profit expanded by 18%, rising from RM52.7 million to RM62.4 million, although margin improvements were moderated by increased project costs. Profit before tax (PBT) increased by 46% from RM6.3 million to RM9.2 million, supported by strong revenue growth and operational efficiencies. This led to a corresponding 41% rise in tax expenses. Ultimately, profit after tax (PAT) surged by 51%, reaching RM3.9 million, underscoring the company's strengthened financial position and improved profitability across key business segments.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
SELECTED EXPLANATORY NOTES

B3. Commentary on prospects (cont'd)

To drive substantial growth and enhance our financial performance, we are aggressively pursuing key revenue strategies, including the promotion of our innovative water treatment solutions and newly acquired agrochemical lab services. We will capitalize on new opportunities, such as securing a major environmental monitoring contract with a leading oil company and leveraging Saudi Asma's top Integrated Pest Management (IPM) recognition to penetrate new markets in Saudi Arabia. Our comprehensive cost optimization plan involves renegotiating supplier contracts, manpower optimizing, and streamlining operations to drive expense reductions. In a near future, we will boost further our revenue through strategic business expansion in the areas of agrochemical laboratory services in Malaysia and Indonesia.

We foresee that our position will be further improved in 2025 barring any unforeseen circumstances.

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 December 2024.

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 December 2024.

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 2023.

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.

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

Shah Alam