PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

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

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.12.2025 RM'000	Preceding year Corresponding Quarter 31.12.2024 RM'000	+/(-)	Current Year To Date 31.12.2025 RM'000	Preceding year Corresponding Period 31.12.2024 RM'000	+/(-)
Revenue	29,261	30,602	(0.04)	109,964	102,013	0.08
Cost of sales	(7,979)	(16,416)		(33,348)	(41,054)	
Gross profit	21,282	14,186	0.50	76,616	60,959	0.26
Profit income	348	316		672	690	
Other income	143	(703)		1,037	1,280	
Staff costs	(6,701)	(6,941)		(28,712)	(29,219)	
Depreciation and amortisation	(1,774)	(1,768)		(7,035)	(6,545)	
Other operating expenses	(3,886)	923		(15,311)	(12,183)	
Profit from operations	9,412	6,013	0.57	27,267	14,982	0.82
Finance costs	(1,610)	(1,936)		(5,779)	(6,008)	
Profit before tax	7,802	4,077	0.91	21,488	8,974	1.39
Income tax expense	(4,610)	(1,847)		(10,145)	(5,265)	
Profit net of tax	**3,192**	**2,230**	0.43	**11,343**	**3,709**	2.06
Other comprehensive income:						
Foreign currency translation	106	(2,528)		(1,052)	54	
Actuarial gain on retirement benefit	79	120		79	120	
Other comprehensive income attributable to:	185	(2,408)		(973)	174	
Total comprehensive income for the period	**3,377**	**(178)**	(19.97)	**10,370**	**3,883**	1.67
Net Profit/(Loss) attributable to:						
Owners of the parent	1,696	(176)	10.64	1,716	(4,022)	1.43
Minority interest	1,496	2,406	(0.38)	9,627	7,731	0.25
	3,192	**2,230**	0.43	**11,343**	**3,709**	2.06

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

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

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.12.2025 RM'000	Preceding year Corresponding Quarter 31.12.2024 RM'000	+/(-)	Current Year To Date 31.12.2025 RM'000	Preceding year Corresponding Period 31.12.2024 RM'000	+/(-)
Total comprehensive income/(loss) attributable to :						
Owners of the parent	1,881	(2,019)	1.93	743	(3,283)	1.23
Minority interest	1,496	1,841	(0.19)	9,627	7,166	0.34
	3,377	**(178)**	(19.97)	**10,370**	**3,883**	1.67
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen)	**0.26**	**(0.03)**		**0.26**	**(0.61)**	

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 DECEMBER 2025
(The figures have not been audited)

	Unaudited 31.12.2025 RM'000	Audited 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,251	37,471
Investment properties	33,812	34,482
Goodwill on consolidation	6,952	6,952
Deferred tax assets	3,194	5,197
	89,209	84,102
Current assets		
Inventories	107	35
Trade and other receivables	47,984	44,423
Contract assets	2,124	1,506
Tax recoverable	222	771
Other current financial assets	3,998	4,895
Cash and bank balances	41,863	44,644
	96,298	96,274
TOTAL ASSETS	185,507	180,376
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(3,274)	(2,301)
Accumulated losses	(17,146)	(18,862)
	45,186	44,443
Non-controlling interest	38,613	34,149
Total equity	83,799	78,592
Non-current liabilities		
Retirement benefit obligation	1,585	1,881
Deferred tax liabilities	2,548	1,934
Lease obligations	70	270
Borrowings	23	143
Other payables	2,247	-
	6,473	4,228
Current liabilities		
Trade and other payables	29,234	31,871
Contract liabilities	126	279
Lease obligations	437	354
Borrowings	61,070	62,596
Income tax payable	4,368	2,456
	95,235	97,556
Total Liabilities	101,708	101,784
TOTAL EQUITY AND LIABILITIES	185,507	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 FOURTH QUARTER ENDED 31 DECEMBER 2025
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non controlling Interest RM'000	Total Equity RM'000
At 1 January 2024	65,970	(364)	(3,040)	(14,840)	47,726	32,443	80,169
Total comprehensive income/ (loss) for the year	-	-	739	(4,022)	(3,283)	7,166	3,883
Dividends payable to non-controlling interest	-	-	-	-	-	(5,460)	(5,460)
At 31 December 2024	**65,970**	**(364)**	**(2,301)**	**(18,862)**	**44,443**	**34,149**	**78,592**
At 1 January 2025	65,970	(364)	(2,301)	(18,862)	44,443	34,149	78,592
Total comprehensive income/ (loss) for the year	-	-	(973)	1,716	743	9,627	10,370
Dividends payable to non-controlling interest	-	-	-	-	-	(5,163)	(5,163)
At 31 December 2025	**65,970**	**(364)**	**(3,274)**	**(17,146)**	**45,186**	**38,613**	**83,799**

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 FOURTH QUARTER ENDED 31 DECEMBER 2025
(The figures have not been audited)

	Cumulative Current Year To Date 31.12.2025 RM'000	Cumulative Corresponding Period 31.12.2024 RM'000
Cash flows from operating activities		
Profit before tax	21,488	8,974
Adjustments for :		
Depreciation of property, plant and equipment	6,320	5,830
Amortisation of investment properties	715	715
Provision for retirement benefit obligations	110	446
(Gain)/loss on disposal of property, plant and equipment	(2)	11
Property, plant and equipment written off	-	18
Gain on termination of leases	-	(75)
Impairment/(reversal of impairment) of trade receivables	463	(197)
Fair value gain on other current financial assets	(13)	(35)
Unrealised loss from foreign exchange	2,705	803
Deferred tax expense/(credit)	2,616	-
Finance cost	5,779	6,008
Profit income from deposits	(659)	(655)
Operating profit before working capital changes	39,522	21,843
Working capital changes :		
Inventories	(73)	-
Contract customers	(770)	682
Receivables	(4,023)	(6,241)
Payables	(3,097)	(3,962)
Cash generated from operations	31,559	12,322
Retirement benefit obligation paid	(360)	(127)
Taxation (paid)/refund	(7,684)	(6,146)
Net cash generated from operating activities	23,515	6,049
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	2	1,924
Net withdrawal of unit trust/short term placement	400	10,432
Purchase of property plant and equipment	(14,026)	(5,978)
Profits received from deposits	659	655
Placement of deposits pledged	(346)	(586)
Net cash (used in)/generated from investing activities	(13,311)	6,447
Cash flows from financing activity		
Net (repayment)/drawdown of borrowings	(2,317)	3,504
Dividend paid to non-controlling interest	(5,163)	(4,704)
Financing cost paid	(5,780)	(6,008)
Lease payment	(402)	(522)
Net cash used in financing activity	(13,662)	(7,730)
Net increase in cash and cash equivalents	(3,458)	4,766
Cash and cash equivalents at 1 January 2025/2024	13,986	9,868
Translations differences	(342)	(648)
Cash and cash equivalents at 31 December 2025/2024	10,186	13,986
Cash and cash equivalents :		
Cash and bank balances	41,863	44,644
Overdraft	(19,271)	(18,599)
	22,592	26,045
Less: Restricted deposits	(12,406)	(12,059)
	10,186	13,986

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.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 24 February 2026.

A2. Basis of preparation

The consolidated condensed interim financial information for the year ended 31 December 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.

MRFSs 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.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 December 2025.

A6. Segment information

31 December 2025	Environmental Monitoring, Consultancy & Services RM'000	Lab Testing Services RM'000	Others* RM'000	Elimination RM'000	Cumulative Quarter Year To Date 31.12.2025 RM'000
Segment Revenue					
External revenue	28,968	77,907	3,089	-	109,964
Inter- segment revenue	-	886	7,350	(8,236)	-
Total revenue	28,968	78,793	10,439	(8,236)	109,964
Segment Results					
Segment profit/(loss) from operations	(812)	31,844	(16,372)	12,607	27,267
Finance cost	(5,235)	(43)	(2,282)	1,781	(5,779)
Income tax expense	(1,971)	(8,823)	649	-	(10,145)
Profit net of tax					11,343
Non-controlling interest					(9,627)
Net profit for the year					1,716

31 December 2024	Environmental Monitoring, Consultancy & Services RM'000	Lab Testing Services RM'000	Others* RM'000	Elimination RM'000	Cumulative Quarter Year To Date 31.12.2024 RM'000
Segment Revenue					
External revenue	29,957	69,236	2,820	-	102,013
Inter- segment revenue	-	1,401	7,539	(8,940)	-
Total revenue	29,957	70,637	10,359	(8,940)	102,013
Segment Results					
Segment profit/(loss) from operations	(4,715)	23,891	(5,067)	873	14,982
Finance cost	(6,045)	(48)	(2,331)	2,416	(6,008)
Income tax expense	-	(5,265)	-	-	(5,265)
Profit net of tax					3,709
Non-controlling interest					(7,731)
Net loss for the year					(4,022)

* 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 cyclicality

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	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Profit before taxation is arrived at after charging:				
Zakat	54	(175)	459	465

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Tax expense :				
- Malaysia Income Tax	1,557	2,266	6,921	5,416
- Foreign Tax	436	188	607	456
- Deferred Tax	2,617	(607)	2,617	(607)
	4,610	1,847	10,145	5,265
Effective tax rate			47%	59%

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 12 months ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Profit/(Loss) for the period (RM'000)	1,696	(176)	1,716	(4,022)
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	0.26	(0.03)	0.26	(0.61)

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

	31.12.2025 RM'000	31.12.2024 RM'000
Short term borrowings		
Hire purchase	121	315
Overdraft	19,271	18,599
Revolving Credit	22,073	23,270
Term loan	17,912	18,985
Trust receipt	1,693	1,427
	61,070	62,596
Long term borrowings		
Hire purchase	23	143
	23	143
Total borrowings	61,093	62,739

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

A13. Trade receivables

	31.12.2025 RM'000	31.12.2024 RM'000
Trade and Other receivable	47,984	44,423

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	31.12.2025 RM'000	31.12.2024 RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	1,975	4,282
	1,975	4,282

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 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 year ended 31 December 2025.

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

Share buybacks/ Treasury shares of the Company

	31.12.2025 RM'000	31.12.2024 RM'000
As at 1 January	364	364
Share buyback	-	-
As at 31 December	364	364

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 31.12.2025 RM'000	Preceding Year Corresponding Period 31.12.2024 RM'000	Changes Amount RM'000	Changes +/(-)
Revenue				
Environmental monitoring, consultancy & services	28,968	29,957	(989)	(0.03)
Lab testing services	78,793	70,637	8,156	0.12
Corporate holding and Elimination	2,203	1,419	784	0.55
	109,964	102,013	7,951	0.08
Segment results				
Environmental monitoring, consultancy & services	(812)	(4,715)	3,903	0.83
Lab testing services	31,844	23,891	7,953	0.33
Corporate holding and Elimination	(3,765)	(4,194)	429	0.10
Profit from operations	27,267	14,982	12,285	0.82
Finance charges	(5,779)	(6,008)	229	0.04
Profit before tax	21,488	8,974	12,514	1.39
Tax expense	(10,145)	(5,265)	(4,880)	(0.93)
Profit net of tax	11,343	3,709	7,634	2.06
Non controlling interest	(9,627)	(7,731)	(1,896)	(0.25)
Profit/(Loss) attributable to owners of the Company	1,716	(4,022)	5,738	1.43

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 RM7.9 million compared to the preceding year corresponding period, primarily driven by higher contributions from the lab testing services segment. Consequently, the Group's profit from operations improved by RM12.3 million, supported by higher gross profit and improved margins in the lab testing services segment and stronger margins achieved by the Saudi operation during 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 26% from the total Group revenue in the current year, decreased by 3% from the preceding year contribution.

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 3% or RM1.0 million compared to the preceding year, due to lower revenue generated by the Saudi operation. The segment's operating loss improved by 83% to RM0.8 million from RM4.7 million in the preceding year, primarily due to significant improvement in the gross profit of the Saudi operation coupled with reduced operating expenses from both the Malaysia and Saudi operations.

b) **Lab testing services**

Lab testing services segment contributed 72% of the total Group revenue, increased by 3% from the preceding year's revenue contribution of 69%.

The segment's revenue increased by 12% or RM8.2 million compared to the preceding year, attributed by higher revenue from both the Malaysia and Indonesia operations, primarily from the Environmental segments. The segment's profit from operations increased by 33% or RM8.0 million compared to the preceding year, resulting from higher revenue recorded by both the Malaysia and Indonesia operations.

The Group's profit after tax increased by more than 100% to RM11.3 million from RM3.7 million in the preceding year, mainly supported by the strong performance of the lab testing services segment. Moving forward, the Group will continue to implement turnaround initiatives for the EMCS segment, including cost rationalization, improved project execution and tighter operational controls. The Group remains focused on strengthening its core segments through service quality enhancements, strategic market expansion and operational efficiency improvements, which are expected to support sustainable performance going forward.

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

	Individual Quarter			
	Current Quarter 31.12.2025 RM'000	**Preceding Quarter 30.9.2025 RM'000**	**Changes Amount RM'000**	**Changes +/(-)**
Revenue				
Environmental monitoring, consultancy & services	8,737	6,232	2,505	0.40
Lab testing services	20,002	21,128	(1,126)	(0.05)
Corporate holding and Elimination	522	680	(158)	(0.23)
	29,261	28,040	1,221	0.04
Segment results				
Environmental monitoring, consultancy & services	1,626	(33)	1,659	50.27
Lab testing services	8,298	9,252	(954)	(0.10)
Corporate holding and Elimination	(512)	(861)	349	0.41
Profit from operations	9,412	8,358	1,054	0.13
Finance charges	(1,610)	(1,378)	(232)	(0.17)
Profit before tax	7,802	6,980	822	0.12
Tax expense	(4,610)	(3,412)	(1,198)	(0.35)
Profit net of tax	3,192	3,568	(376)	(0.11)
Non controlling interest	(1,496)	(3,078)	1,582	0.51
Profit attributable to owners of the Company	1,696	490	1,206	(2.46)

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 improved by RM1.2 million as compared to the preceding quarter ended 30 September 2025, attributed by higher revenue recorded by the environmental monitoring, consultancy and services segment. The Group's profit from operations, has increased by 13% or RM1.1 million from the preceding quarter as a results of higher contributions from the environmental monitoring, consultancy and services segment 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 30% to the Group's total revenue in the current quarter, increased by 8% from the preceding quarter's contribution. The segment's revenue increased by 40% or RM2.5 million in the current quarter compared to the preceding quater, mainly driven by higher revenue from the Malaysia operation. The segment reported a profit from operations of RM1.6 million, representing a significant quarter-on-quarter improvement of over 100% from the loss of RM0.03 million recorded in the preceding quarter. This was mainly due to higher gross profit contribution from the Malaysia operation, coupled with reduced operating expenses from the Saudi operation.

b) **Lab testing services**

Lab testing services segment contributed 68% of the total Group revenue, decreased by 7% from the preceding quarter's revenue contribution of 75%. The segment's revenue decreased by 5% or RM1.1 million from the preceding quarter, primarily due to lower revenue generated by the Indonesia operation. The segment's profit from operations decreased by 10% or RM1.0 million compared to the preceding quarter, mainly due to higher operating expenses from the Malaysia operation.

B3. Commentary on prospects

Global growth is expected to remain resilient at 3.3% in 2026 and 3.2% in 2027, broadly in line with 2025, reflecting a stable global outlook. Headline inflation is projected to ease from 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027. This outlook reflects a balance between headwinds from trade policy shifts and tailwinds from technology and AI investment, supportive fiscal and monetary policies, accommodative financial conditions, and private-sector adaptability. Downside risks include trade tensions, geopolitical or political disruptions, weaker AI-driven productivity, financial market corrections, and fiscal pressures, while upside potential arises from easing trade tensions and stronger productivity gains from broader AI adoption.

Malaysia’s economy is projected to grow 4.0%–4.5% in 2026, supported by resilient domestic demand, steady employment and wage growth, ongoing investment projects, and continued strength in E&E exports and tourism. Headline inflation is expected to remain moderate at 1.3%–2.0%, with core inflation stable near its long-term average, reflecting easing global cost pressures. The outlook faces downside risks from slower global trade and weaker commodity production, while upside potential exists from stronger global growth, higher demand for E&E goods, and more robust tourism activity. Bank Negara Malaysia has maintained the OPR at 2.75%, with monetary policy assessed as supportive of growth amid price stability.

PICORP’s turnaround strategy continues to deliver strong results, with profit before tax rising from RM9.4 million to RM21.9 million and profit after tax increasing from RM3.7 million to RM11.3 million, representing over 100% growth compared to the previous year. The Group also recorded its first PATAMI of RM1.7 million after five consecutive years of LATAMI, improving from a LATAMI of RM4.0 million in 2024. These results reflect enhanced operational efficiency, disciplined cost management, and effective execution of strategic initiatives under the turnaround plan. The Group remains confident in sustaining this positive momentum in the coming years.

B3. Commentary on prospects (cont'd.)

PICORP is driving sustainable growth and enhancing financial performance through a focused strategy that strengthens its core business segments while seizing new market opportunities. The Group's key initiatives include expanding into IT services and digital solutions, enhancing laboratory testing capabilities and capacity, including agrochemical labs in Malaysia and Indonesia, and growing the Integrated Pest Management (IPM) segment by targeting key accounts and entering the Saudi market leveraging Saudi ASMA's strong industry recognition. In addition, PICORP is advancing technology, IoT, and ESG initiatives to support long-term competitiveness, innovation, and sustainable business growth.

With continued execution of the enhanced EMCS turnaround plan, the Group expects further performance improvements in 2026 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 31 December 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 December 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