



Aligned for Excellence

in Science, Service and Sustainability

ALIGNED FOR EXCELLENCE

in Science, Service and Sustainability



The 2025 cover reflects **PICORP's** annual theme, **Aligned for Excellence in Science, Service and Sustainability**, encapsulating a unified commitment to **servant leadership**, **solution leadership** and **strategic organisational alignment**. The composition illustrates how these principles converge to deliver measurable and sustainable impact.

The interconnected landscape symbolises alignment across the Group. Flowing waterways represent clarity of direction and disciplined execution, reflecting how strategy cascades across functions. Each element within the ecosystem operates cohesively, reinforcing that **performance excellence is achieved when people, processes and priorities move in synchrony**.

At the centre of the visual are scientific and field professionals, embodying solution leadership in action. From laboratory analysis to environmental monitoring and on-site implementation, the imagery underscores PICORP's ability to translate scientific rigour into practical, high-impact solutions that address real-world challenges.

The natural environment woven throughout the cover reflects sustainability as a core responsibility. It signifies stewardship and long-term value creation, guided by servant leadership that prioritises stakeholders, communities and the ecosystems entrusted to our care.

The circular form represents continuity, resilience and integrated performance. It conveys an organisation that is scientifically grounded, strategically aligned and purposefully driven to deliver excellence across all dimensions of value creation.

The logo for TABLE CON features a stylized green circular icon on the left, composed of concentric, slightly offset lines that create a sense of depth and movement. To the right of the icon, the words "TABLE" and "CON" are stacked vertically in a bold, sans-serif font. "TABLE" is in a lighter green shade, while "CON" is in a darker green, matching the icon's color.

01

CORPORATE DISCLOSURE

- Corporate Information 10
- Corporate Structure 11

02

LEADERSHIP

- Board of Directors 14
- Profile of Directors 16
- Executive Leadership Team 22
- PICORP Management Team 24
- EMCS Team (Malaysia) 26
- EMCS Team (Saudi Arabia) 27
- Laboratory Testing Services Team (Malaysia) 28
- Laboratory Testing Services Team (Indonesia) 29

03

PERFORMANCE

- Management Discussion and Analysis Statement 31

04

SUSTAINABILITY STATEMENT

- Sustainability Statement 51
- Embedding Integrity & Ethics in Business Practices 59
- Establishing Sustainable Systems & Infrastructure 60
- Executing Sustainable Processes 65
- Offering Sustainable Products & Services 82
- Sustainability Performance Data Table 94

OF TENTS

05

ACCOUNTABILITY

• Corporate Governance Overview Statement	97
• Audit Committee Report	109
• Statement on Risk Management and Internal Control	112
• Directors' Responsibility Statement	118
• Additional Compliance Information	119

06

FINANCIAL STATEMENTS

• Directors' Report	124
• Statement by Directors	130
• Statutory Declaration	130
• Independent Auditors' Report	131
• Statements of Comprehensive Income	137
• Statements of Financial Position	139
• Consolidated Statement of Changes in Equity	141
• Statement of Changes in Equity	142
• Statement of Cash Flows	143
• Notes to the Financial Statements	146

07

SUPPLEMENTARY INFORMATION

• Statistics of Shareholdings	206
• Notice of Annual General Meeting	209
• Administrative Guide	216
• Proxy Form	221

SOLUTION LEADERSHIP WITH A SERVANT HEART

THE ENGINE (SOLUTION MINDSET)



Diagnostics Phase: Define, Gather, Identify, Test

High-level competency begins by defining the problem precisely to distinguish objective facts from interpretations. By gathering relevant information from multi-source stakeholders and identifying possible causes through analytical tools, hypotheses are tested against observed symptoms to ensure the root cause is addressed rather than surface-level symptoms.



Architecting Phase: Design Value-Based, Sustainable Solutions, Generate Options, Evaluate & Select

Design solutions that deliver clear value to customers while remaining sustainable—effectively addressing needs through environmentally responsible processes that reduce waste and optimise cost—leverages deep procedural and declarative knowledge to generate options that expand possibilities beyond obvious answers. By evaluating and selecting the optimal approach against rigorous criteria—feasibility, impact, cost, and risk—solutions are aligned with the "Hedgehog Concept" to ensure maximum strategic ROI.



Execution Phase: Implement, Monitor, Adjust & Align

To ensure sustainable results, the solution is implemented with clear accountability, active stakeholder engagement, and alignment with strategic objectives to secure necessary support. Through monitoring and adjusting results against success metrics, and conducting retrospectives, one-time fixes are transformed into a "Flywheel" of continuous improvement that prevents recurrence and builds long-term organisational momentum.

THE FUEL (SERVANT HEART)



Caring for People: Listening, Empathy, Healing, Commitment to Growth, Building Community

Servant leadership starts with genuinely caring for people. By listening and showing empathy, leaders make team members feel valued, support their well-being, and foster resilience. Focusing on growth and community builds belonging, collaboration, and alignment with the organisation's mission—creating an engaged and empowered team.



Mindful Awareness: Awareness, Conceptualisation, Foresight

Servant leadership thrives on self and team awareness. Leaders understand their own behaviours, the needs of others, and the broader organisational context to make thoughtful decisions. Through conceptualisation and foresight, they align daily work with long-term goals, anticipate challenges, and guide the team towards sustainable success.



Empowering Action: Persuasion, Stewardship

Servant leadership culminates in empowering others to act with clarity and purpose. Leaders rely on persuasion rather than authority to build trust, inspire cooperation, and align teams toward shared goals. Through stewardship, they take responsibility for people and resources, ensuring accountability and commitment to the organisation's long-term success.

THE TRANSMISSION (INFLUENCE WITHOUT DOMINANCE)



Logical Appeals (Head): Present Rational Arguments

Leaders begin by appealing to the mind, presenting clear, data-driven reasoning for the best course of action. By demonstrating organisational and personal benefits, they provide a rational case that engages others' intellect and aligns decision-making with logic. This approach positions the leader as thoughtful and competent, allowing others to follow because the reasoning is sound, not because of formal authority.



Emotional Appeals (Heart): Connect to Values and Wellbeing

Influence is strengthened by appealing to the heart. Leaders link goals or projects to individual values, aspirations, and sense of belonging, fostering emotional engagement. By addressing how actions impact well-being, personal growth, or shared purpose, leaders inspire intrinsic motivation. When people feel that their contributions matter and resonate with their own values, commitment naturally follows.



Cooperative Appeals (Hands): Engage Through Collaboration

Finally, influence is amplified by appealing to the hands—inviting collaboration, consultation, and shared ownership. Leaders create partnerships and alliances, co-creating solutions with stakeholders to achieve mutually important goals. By working together, influence becomes earned through action and contribution, not imposed through hierarchy.

Anchored in spiritual & ethical values



IKHLAS

Serve Without Ego



ADL

Fairness in Decisions



RAHMAH

Compassion with Accountability



AMANAH

Leadership as a Responsibility, Not a Privilege

Sustained Greatness (Level 5 Executive)



When the engine of competency is powered by the fuel of service, it creates a culture of discipline that lasts far beyond any single leader's tenure.



TOTAL STRATEGIC ALIGNMENT

Is a systematic management process that ensures every part of an organisation from executive offices to individual employees —is synchronised with a central strategy.

The diagram represents a Strategy-Focused Organisation (SFO), where strategy is treated as a continuous, closed-loop cycle rather than a one-time event.



utive

an



**Align
Organisation**

Organisation Alignment

Are the various units, departments, and constituents aligned with the enterprise value proposition?

SFO Principle

Align the Organisation with the Strategy

TEGY



**Align
Employees**

Human Capital Alignment

Are employees goals, training, and incentives aligned with the business strategy?

SFO Principle

Make Strategy Everyone's Job

uous
ement



ership

34TH *Annual*



**GENERAL
MEETING**

2 0 2 6







Wednesday

24 June 2026



10:00 a.m.

FIND US:

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



01

Corporate Disclosure





CORPORATE INFORMATION



BOARD OF DIRECTORS

DATUK SYED HISHAM BIN SYED WAZIR

Chairman
Independent Non-Executive Director

ZAID BIN ABDULLAH

Executive Deputy Chairman

DATO' DR. LUKMAN BIN IBRAHIM

Group Executive Director

ZAIDAH BINTI MOHD SALLEH

Non-Independent Non-Executive Director

DATO' HAJJAH ROSNANI BINTI IBARAHIM

Non-Independent Non-Executive Director

KAMARUL BAHARIN BIN ALBAKRI

Independent Non-Executive Director

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

Independent Non-Executive Director

DATO' SERI ROSMAN BIN MOHAMED

Independent Non-Executive Director

USAMAH BIN ZAID

Alternate Director to Zaid bin Abdullah

FATIMAH ZAHRAH BINTI ZAID

Alternate Director to Zaidah binti Mohd Salleh

Audit Committee

Kamarul Baharin bin Albakri Chairman

> Zaidah binti Mohd Salleh
> Professor Dato' Ir. Dr. Mohd Hamdi
bin Abd Shukor

Nomination & Remuneration Committee

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

> Kamarul Baharin bin Albakri
> Zaidah binti Mohd Salleh

Board Risk Management & Sustainability Committee

Dato' Hajjah Rosnani binti Ibrahim Chairperson

> Professor Dato' Ir. Dr. Mohd Hamdi
bin Abd Shukor
> Dato' Dr. Lukman bin Ibrahim

Company Secretaries

Zaidah binti Mohd Salleh

(MIA 3313)
(SSM PC No. 202008000882)

Tan Kok Siong

(LS0009932)
(SSM PC No. 202008001592)

Tan Fong Shian @ Lim Fong Shian

(MAICSA 7023187)
(SSM PC No. 201908004045)

Head Office & Registered Office

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

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

Registrar

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone No. : 03-2783 9299
Facsimile No. : 03-2783 9222

Auditor

Grant Thornton Malaysia PLT

(Member Firm of Grant Thornton International
LTD AF 0737)

Chartered Accountants

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

Telephone No. : 03-2692 4022

Principal Banker

AmBank Islamic Berhad





CORPORATE STRUCTURE



PROGRESSIVE IMPACT CORPORATION BERHAD

199001011782 (203352-V)



ENVIRONMENTAL MONITORING, CONSULTANCY & SERVICES



MALAYSIA

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

INTERNATIONAL

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



LABORATORY TESTING SERVICES



MALAYSIA

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

INTERNATIONAL

- PT ALS Indonesia ————— **80%**





VISION

To be a world class business organisation providing innovative technology & quality products and services in the field of environmental solutions for local and overseas markets through a team of motivated, competent & quality employees



MISSION

To deliver cost effective environmental solutions which shall benefit mankind.

CORE VALUES



7 PARADIGMS





Leadership

ADDITIONAL INFORMATION

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

- no family relationship with any Director and/or major shareholder of Progressive Impact Corporation Berhad ("PICORP"), unless otherwise stated;
- no conflict of interest with PICORP;
- no directorship in other public companies and listed issuers;
- not been convicted of any offences within the past five years other than minor traffic offences; &
- not been imposed any penalty or public sanction by the relevant regulatory bodies during the financial year ended 31 December 2025.

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



BOARD OF DIRECTORS

2025



FROM THE LEFT

1 DATUK SYED HISHAM
BIN SYED WAZIR

2 ZAID BIN ABDULLAH

3 DATO' DR. LUKMAN
BIN IBRAHIM

4 ZAIDAH BINTI MOHD
SALLEH

5 DATO' HAJJAH ROSNANI
BINTI IBARAHIM

6 KAMARUL BAHARIN
BIN ALBAKRI

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

8 DATO' SERI ROSMAN
BIN MOHAMED

9 USAMAH BIN ZAID

10 FATIMAH ZAHRAH
BINTI ZAID



BOARD OF DIRECTORS



DATUK SYED HISHAM BIN SYED WAZIR

CHAIRMAN, INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE : 71 ▶ GENDER : MALE ▶ 

Date of Appointment : 30 May 2023
Board Meeting Attendance in 2025 : 7/7

Academic/professional qualification/membership(s)

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

Experience:

- Chairman, Independent Non-Executive Director, MSM Malaysia Holdings Berhad (2020 - Present)
- Independent Non-Executive Director, SIRIM QAS International Sdn Bhd (2020 - Present)

• • • • [read more >](#)

- Independent Non-Executive Director, National Precision Tooling Sdn Bhd (2020 - Present)
- Independent Non-Executive Director, SIRIM Academy Sdn Bhd (2019 - Present)
- Independent Non-Executive Director, Bermaz Auto Berhad (2016 - 2025)
- Chairman, SIRIM QAS International Sdn Bhd (2017 - 2020)
- Chairman, National Precision Tooling Sdn Bhd (2017 - 2020)
- Independent Non-Executive Director, SIRIM Berhad (2017 - 2019)
- Group Managing Director, Puncak Niaga Holdings Berhad (2015 - 2016)
- President & Group Chief Executive Officer, UMW Holdings Berhad (2010 - 2015)
- Chief Operating Officer, Naza Kia Sdn Bhd & Naza Kia Services Sdn Bhd
- Managing Director, Edaran Otomobil Nasional Berhad (2005 - 2009)
- President/Chief Operating Officer DRB-HICOM Group, Honda Malaysia Sdn Bhd (2003 - 2005)
- DRB-HICOM Export Corporation Sdn Bhd (1998 - 2003)
- Director, Proton Cars (UK) Pte Ltd (1997 - 1998)
- Proton Berhad (1983 - 1998)
- SIRIM Berhad (1979 - 1983)

Award and recognition

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



ZAID BIN ABDULLAH

EXECUTIVE DEPUTY CHAIRMAN

AGE : 74 ▶ GENDER : MALE ▶ 

Date of Appointment : 1 November 1990
Board Meeting Attendance in 2025 : 7/7

Academic/professional qualification/membership(s)

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

Experience:

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

Award and recognition

- Most Promising Entrepreneurship Award | APEA 2013

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





DATO' DR. LUKMAN BIN IBRAHIM

GROUP EXECUTIVE DIRECTOR

AGE : 60 ▶ GENDER : MALE ▶ 

Date of Appointment : 9 January 2015
Board Meeting Attendance in 2025 : 7/7

Board Committees Membership(s) :

Member of Board Risk Management & Sustainability Committee

Academic/professional qualification/membership(s)

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

• • • • [read more >](#)



ZAIDAH BINTI MOHD SALLEH

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 71 ▶ GENDER : FEMALE ▶ 

Date of Appointment : 1 November 1990
Board Meeting Attendance in 2025 : 7/7

Board Committees Membership(s) :

Member of Audit Committee, Member of Nomination & Remuneration Committee

Academic/professional qualification/membership(s)

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

Experience:

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

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

Experience:

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

Award and recognition


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

BOARD OF DIRECTORS



DATO' HAJJAH ROSNANI BINTI IBRAHIM

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 72 ▶ GENDER : FEMALE ▶ 

Date of Appointment : 14 May 2012
Board Meeting Attendance in 2025 : 7/7

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

Academic/professional qualification/membership(s)

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

Experience:

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

Award and recognition:

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



KAMARUL BAHARIN BIN ALBAKRI

INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 63 ▶ GENDER : MALE ▶ 

Date of Appointment: 1 January 2022
Board Meeting Attendance in 2025 : 7/7

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

Academic/professional qualification/membership(s)

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

Experience:

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



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

INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 54 ▶ GENDER : MALE ▶

Date of Appointment: 1 July 2024
Board Meeting Attendance in 2025 : 7/7

Board Committees Membership(s) :

Chairman of Nomination & Remuneration Committee, Member of Audit Committee, Member of Board Risk Management & Sustainability Committee

Academic/professional qualification/membership(s)

- Doctor of Engineering Degree, Kyoto University, Japan
- Master of Science degree in Advanced Manufacturing and Management Technology of University of Manchester Institute of Science and Technology, Manchester
- Bachelor of Engineering (Mechanical) Imperial College, London
- Fellow of the Institution of Mechanical Engineers (IMechE), UK
- Chartered Engineer with the Engineering Council (UK)
- Professional Engineer with the Board of Engineers Malaysia (BEM)
- Honorary Fellow, ASEAN Federation of Engineering Organisations (AFEO)
- Member of the Institute of Corporate Directors Malaysia

• • • • [read more >](#)



DATO' SERI ROSMAN BIN MOHAMED

INDEPENDENT
NON-EXECUTIVE DIRECTOR

AGE : 64 ▶ GENDER : MALE ▶

Date of Appointment: 26 August 2024
Board Meeting Attendance in 2025 : 7/7

Academic/professional qualification/membership(s)

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

Experience:

- Chairman, UAC Berhad (2025 - Present)
- Chief Executive, Malaysian Employers Federation (2025 - Present)
- Independent Non-Executive Director, Khind Holdings Berhad (2021 - Present)
- Independent Non-Executive Director, Eco World Development Group Berhad (2022 - Present)
- Chairman, Ni Hsin EV Tech Sdn. Bhd. (2022 - Present)
- Independent Non-Executive Director, Boustead Holdings Berhad (2021 - 2025)

• • • • [read more >](#)

BOARD OF DIRECTORS



USAMAH BIN ZAID

ALTERNATE DIRECTOR TO
ZAID BIN ABDULLAH

AGE : 42 ► GENDER : MALE ► 

Date of Appointment: 1 July 2020

Academic/professional qualification/membership(s)

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

Experience:

- Interim Chief Executive Officer, Saudi Asma Environmental Solutions LLC (September 2025 - Present)
- General Manager - Group Risk & Compliance, Progressive Impact Corporation Berhad (March 2024 - Present)
- Chief Executive Officer, Alam Sekitar Malaysia Sdn Bhd (2021 - March 2024)
- Deputy Chief Executive Officer, Alam Sekitar Malaysia Sdn Bhd (2020)
- Senior General Manager, Zaiyadal Keluarga Sdn Bhd (2020)
- Chief Executive Officer, Intelligent Aqua Sdn Bhd (2018 - 2019)
- General Manager (Business Development), Alam Sekitar Malaysia Sdn Bhd (2016 - 2018)
- Business Development Executive, Alam Sekitar Eco-Technology Sdn Bhd (2013 - 2016)
- Business Development Executive, PJ Bumi Berhad (2010 - 2013)

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



FATIMAH ZAHRAH BINTI ZAID

ALTERNATE DIRECTOR TO
ZAIDAH BINTI MOHD SALLEH

AGE : 41 ► GENDER : FEMALE ► 

Date of Appointment : 9 April 2015

Academic/professional qualification/membership(s)

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

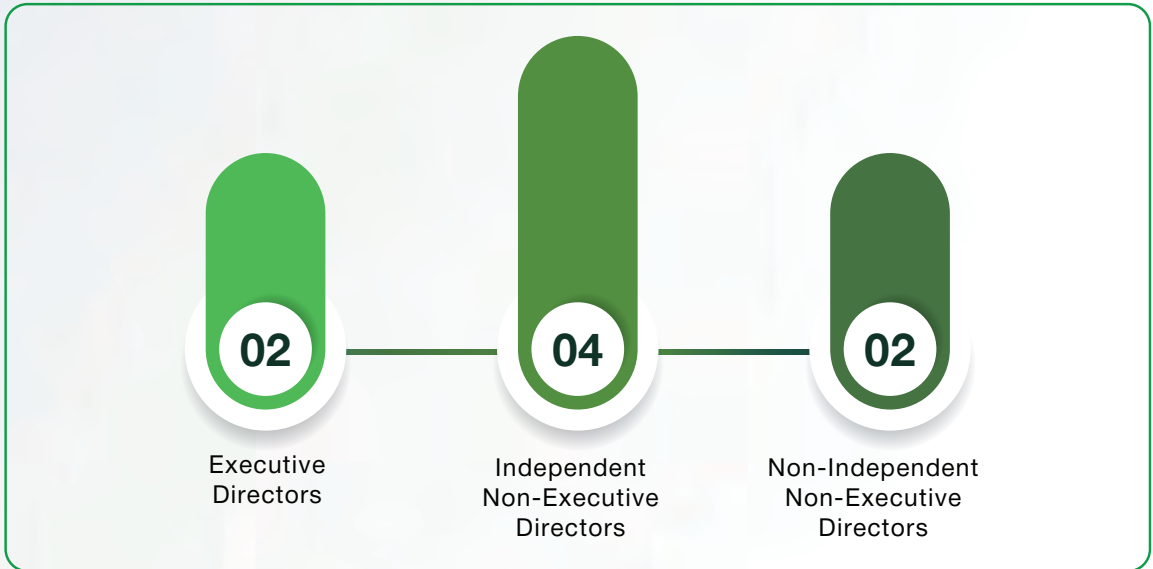
Experience:

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

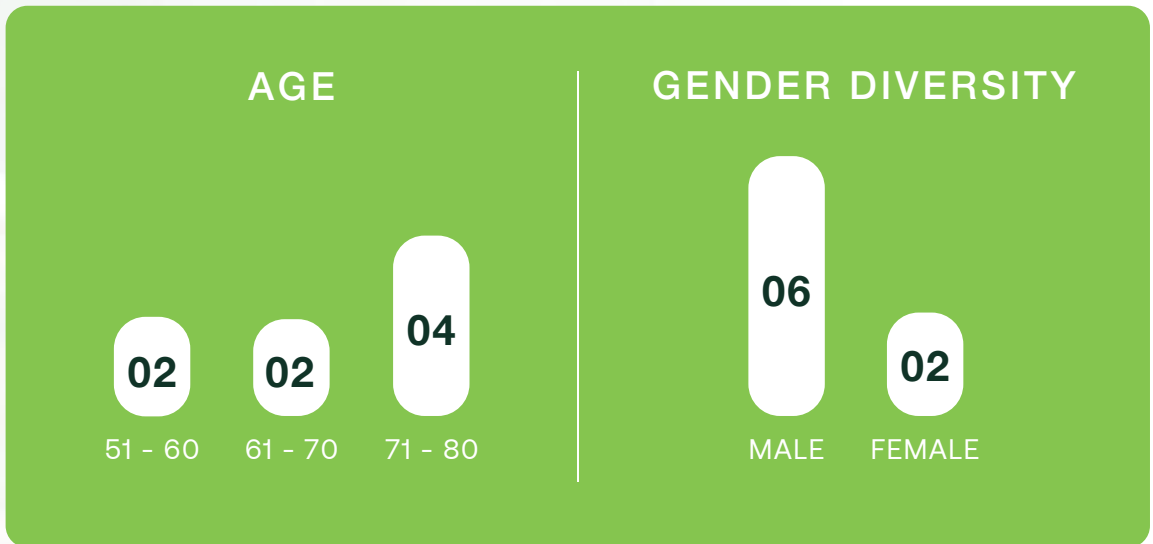
Fatimah Zahrah is the daughter of Zaid bin Abdullah and Zaidah binti Mohd Salleh and sister of Usamah bin Zaid.

BOARD DIVERSITY

POSITION



GENDER DIVERSITY



RACE / ETHNICITY



NATIONALITY






Executive Leadership Team



DATO' DR. LUKMAN BIN IBRAHIM

Group Executive Director
Progressive Impact Corporation Berhad

AGE : 60 ▶ GENDER : MALE ▶ 

Date of Appointment : 1 March 2018

Note: The full profile is available at the Board of Directors Section of the Annual Report 2025.



DR. CHIN TEEN TEEN

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

AGE : 62 ▶ GENDER : FEMALE ▶

Date of Appointment : 1 November 1998

Academic/Professional Qualification(s)

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

Experience:

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



HAMSIAH BINTI KHALID

Group Chief Financial Officer

AGE : 54 ▶ GENDER : FEMALE ▶

Date of Appointment : 16 June 2020

Academic/Professional Qualification(s)

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

Experience:

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



AZHAR BIN TAIB @JALAL

Head of EMCS
Chief Executive Officer
Alam Sekitar Malaysia Sdn Bhd

AGE : 54 ▶ GENDER : MALE ▶

Date of Appointment : 1 March 2024

Academic/Professional Qualification(s)

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

Experience:

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



USAMAH BIN ZAID

Interim Chief Executive Officer
Saudi Asma Environmental Solutions LLC

AGE : 42 ▶ GENDER : MALE ▶

Date of Appointment : 1 September 2025

Academic/Professional Qualification(s)

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

Experience:

Began his career as Shariah Advisor to Progressive Impact Corporation Berhad in 2010 before moving into Business Development roles at PJ Bumi Berhad and Alam Sekitar Eco-Technology Sdn Bhd. He later joined Alam Sekitar Malaysia Sdn Bhd, serving as General Manager (Business Development) and subsequently Deputy CEO, before being appointed CEO from 2021 to March 2024. In March 2024, he joined Progressive Impact Corporation Berhad as General Manager – Group Risk & Compliance and currently serves as Interim CEO of SAES.



PICORP Management Team



From Left to Right

1 NADZRAH BINTI HASHIM

Senior General Manager - GED Office

2 TS.AHMAD SHAHDAN BIN KASSIM

Senior General Manager - Research & Development

3 AZLI BIN MOHD ZIN

General Manager - Group Legal, Secretarial & Human Capital

4 USAMAH BIN ZAID

General Manager - Group Risk & Compliance

PICORP Management Team



From Bottom Left to Top Right

5 ABD. RAZAK BIN MASIRUN

Manager - Group IT Support

6 NIK AZRAN IZHAR BIN NIK AHAMED

Manager - Group Facilities & Building Maintenance

7 AZIZAH BINTI SALLEH

Senior Manager - Finance

8 MALIZA BINTI MOHARI

Manager - Secretarial (Group Legal & Secretarial)

9 NUR LIYANA BINTI AHMAD

Manager - Group Human Capital

10 AIREEN SHAREENA BINTI ZAINUDDIN

Manager - Legal (Group Legal & Secretarial)

11 NUR AISYAH BINTI AZIZI

Acting Manager - Group Corporate Communication & Digital Marketing



Environmental Monitoring, Consultancy & Services Team



AZHAR BIN TAIB @JALAL

Head of EMCS
Chief Executive Officer
Alam Sekitar Malaysia
Sdn. Bhd.



ARDI BIN BAKHTIAR

General Manager
► Marketing & Sales



SUZANA BINTI SHAARI

General Manager
► Environmental Execution



SAMSUL BIN KASPIN

Senior Manager
► Digitalisation



**MIMI SHUHAI DAH
BINTI YUSOF**

Senior Manager
► Technical & Engineering



**ZAFINA BINTI
ZAINOL ABIDIN**

Manager
► EMS & Air Segment



**MUHAMAD RODZAKIE
BIN ABAS**

Manager
► Wastewater Segment



**NORSYAFINA BINTI
MOHD SAID**

Manager
► Marketing & Sales



**SITI ZUBAIDAH BINTI
MAT SAAD**

Manager
► Water Segment



**NORMASZILINA
BINTI MAAROF**

Manager
► Contract Management
& Procurement



**NIK SYAFIQAH BINTI
MOHAMED JALALLUDIN**

Manager
► Finance



Environmental Monitoring, Consultancy & Services Team



USAMAH BIN ZAID
Interim Chief Executive Officer
Saudi ASMA Environmental
Solutions LLC



ABDULLAH BIN OMAR
Chief Business Officer
Saudi ASMA Environmental
Solutions LLC



MUHAMMAD BIN ISMAIL
Financial Controller
► Finance



FAHAD ALMOWALAD
Senior Executive
► Business Development



ADEL ATTA
Sales Manager
► Integrated Pest Management (PV)



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



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



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



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



Laboratory Testing Services Team



DR. CHIN TEEN TEEN

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



SUZANA OTHAMAN

Manager
► Finance



YAP CHEN LOON

Technical Business Manager
► Biotech



CHRIS LIM ENG HWA

Sales Manager
► Client Service - Food



ABDUL QAIYUM BIN MUSA

Technical Business Manager
► Client Service - Environment



DR. CH'NG AI YING

Laboratory Manager
► Food



**HANNAH YASMIN ANNE
BINTI ABDULLAH LEE**

Laboratory Manager
► Microbiology



NAZIRAH BINTI ARIFFIN

Laboratory Manager
► Environment



DANNY YEO SIOW YAK

Manager
► Quality



FAISAL BIN HUSSIN

Senior Chemist
► Sampling



**SUZILAWATI
BINTI SUTRISNO**

Lead
► Digitalisation Solution



**RAJA ZUBAIDAH
BINTI RAJA SABARADIN**

Chemist
► Research & Development



Laboratory Testing Services Team



JONES HUTAGAOL
Manager
► Finance & Admin



M. APRIE SUBEKTI
Technical Manager
► Sentul Lab



SISCA NURHAFIFA
Leader
► Customer Service



ASYIK AULADI
Leader
► Project



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



ELVIANA MARIA
Technical Manager
► Laboratory - Pekanbaru





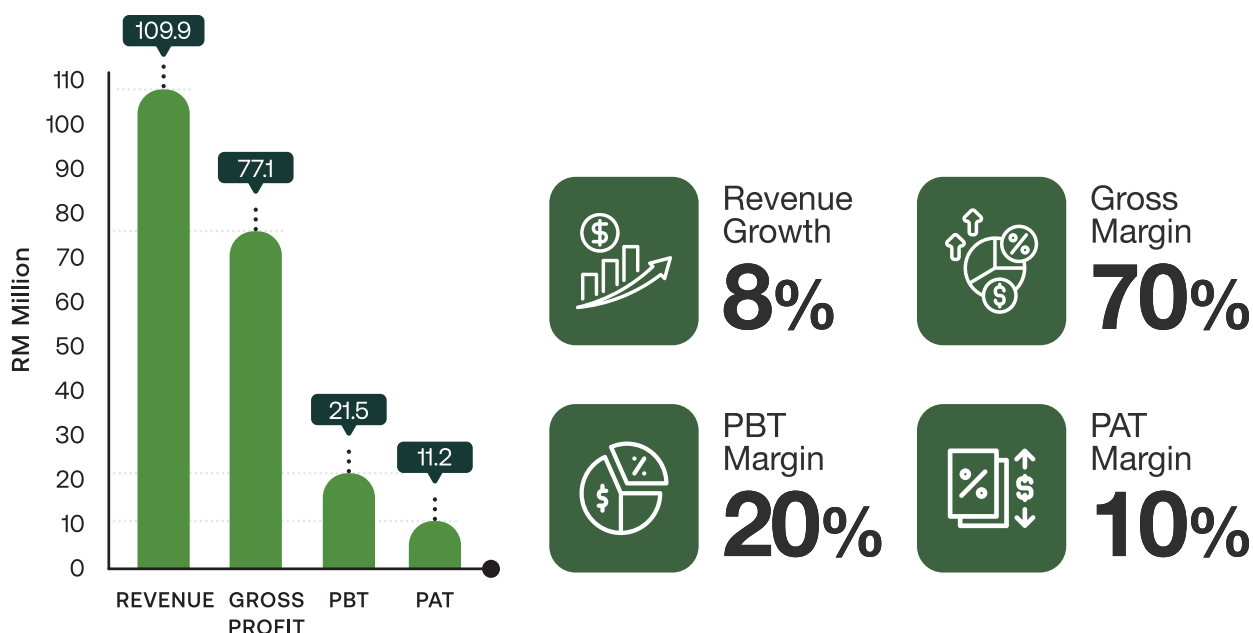
03

Performance



MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

FINANCIAL HIGHLIGHTS



FINANCIAL PERFORMANCE

The Group’s financial performance for the financial year ended 31 December 2025 (“FY2025”) improved compared to the preceding year, supported by stronger operational execution and improved profitability.

Revenue increased by 8% to RM109.9 million (FY2024: RM102.0 million), mainly driven by higher contributions from the lab testing and services segment compared to the prior year.

Gross profit rose to RM77.1 million (FY2024: RM61.0 million), with gross margin improving to 70% (FY2024: 60%).

In line with the improved operating performance, profit before tax (“PBT”) increased significantly to RM21.5 million (FY2024: RM9.0 million), with PBT margin improving to 20% from 9% in the preceding year. Correspondingly, profit after tax (“PAT”) rose to RM11.2 million (FY2024: RM3.7 million), translating into an improved PAT margin of 10% from 4% in FY2024.

FIVE-YEAR PERFORMANCE REVIEW

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

Our turnaround strategy encompasses the following areas:

a. Revenue Growth:

Environmental Monitoring, Consultancy and Services (“EMCS”)

The Company is well-positioned to navigate market uncertainties by reinforcing its focus on core

sectors. EMCS will continue to drive growth in Malaysia, leveraging opportunities in drinking water and waste water treatment solutions.

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

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

Laboratory Testing Services ("LTS")

Lab testing services will maintain dominance in environmental, food safety, and pharmaceutical testing via innovative methods and streamlined report delivery. Efforts to enhance operational efficiency, cost management, and Customer Relationship Management ("CRM") integration will further solidify the Company's resilience. Additionally, the Group's expansion into the agrochemical segment has positively impacted the Group's financial performance.

b. Cost Optimisation and Margin Improvement

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

c. Product/Service Innovation

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

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

d. Streamlined Operations

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

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

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

e. Improved Liquidity

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

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

f. Corporate Governance and Risk Management

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

Over the five-year period from FY2021 to FY2025, the Group's financial performance shows a transition from volatility to a more stable and improved earnings profile.

Order intake remained relatively stable from FY2021 to FY2023, averaging approximately RM81.5 million annually, before increasing to RM117.7 million in FY2024 and easing to RM102.5 million in FY2025. Notwithstanding this, order levels in the past two years remained above historical averages, indicating sustained demand and a stable project pipeline.

Revenue followed a similar trend, remaining stable between FY2021 and FY2023 at an average of approximately RM91.4 million annually, before increasing to RM102.0 million in FY2024 and further to RM109.9 million in FY2025, reflecting improved conversion of orders into revenue.

●● PICORP GROUP AT A GLANCE



●● FIVE-YEAR GROUP FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 31 December 2025	2021	2022	2023	2024	2025
Key operating results (RM thousand)					
Order	81,039	80,597	82,858	117,653	102,495
Revenue	92,022	90,285	92,035	102,013	109,894
Costs of sales	(39,531)	(43,059)	(39,290)	(41,054)	(32,753)
Gross profit	52,491	47,226	52,745	60,959	77,141
Other income	2,356	3,076	4,736	1,970	1,795
Administrative and other operating expenses	(46,672)	(46,282)	(45,681)	(47,482)	(51,206)
Zakat	(403)	(601)	(517)	(465)	(459)
Profit from operations	7,772	3,419	11,283	14,982	27,271
Finance costs	(3,962)	(3,931)	(4,952)	(6,008)	(5,774)
Profit / (Loss) before tax	3,810	(512)	6,331	8,974	21,497
Tax expense	(4,053)	(2,838)	(3,726)	(5,265)	(10,295)
Profit / (Loss) after tax	(243)	(3,350)	2,605	3,709	11,202
Profit / (Loss) attributable to:					
- Owners of the company	(6,129)	(9,737)	(3,582)	(4,022)	1,693
- Non-controlling interests	5,886	6,387	6,187	7,731	9,509
Profit / (Loss) after tax	(243)	(3,350)	2,605	3,709	11,202
Other key data (RM thousand)					
Total assets	183,360	177,250	184,556	180,376	183,651
Cash and bank balances	30,572	31,248	39,037	44,644	41,852
Total liabilities	86,861	93,525	104,387	101,784	98,685
Bank borrowings	56,915	58,411	58,886	62,739	61,093
Shareholders' equity	65,289	52,229	47,726	44,443	47,290
Gross margin	57%	52%	57%	60%	70%
PBT margin	4%	-1%	7%	9%	20%

FINANCIAL YEAR ENDED 31 December 2025	2021	2022	2023	2024	2025
Financial Ratios					
Order growth	-11%	-1%	3%	42%	-13%
Revenue growth	5%	-2%	2%	11%	8%
Current ratio	1.23	1.10	0.98	0.99	1.02
Net gearing ratio	0.38	0.46	0.39	0.38	0.37
Share Statistics					
Net dividend per share (sen)	0.30	0.30	-	-	-
Dividend yield	2.73%	1.15%	-	-	-

Over the five-year period from FY2021 to FY2025, the Group's financial performance reflects a transition from a period of volatility to a more stable and improved earnings profile.

Order intake remained relatively consistent between FY2021 and FY2023, averaging approximately RM81.5 million annually, before increasing significantly to RM117.7 million in FY2024 and moderating to RM102.5 million in FY2025. Despite the fluctuation, order levels in the last two years remained above historical averages, indicating sustained demand and a stable pipeline of projects.

Revenue followed a similar trajectory, remaining stable between FY2021 and FY2023 at an average of approximately RM91.4 million annually, before gaining momentum in FY2024 and FY2025 to reach RM109.9 million. This reflects the Group's ability to convert its order book into revenue more effectively in recent years.

Profitability has shown a marked improvement over the period. After recording losses in FY2021 and FY2022, the Group returned to profitability in FY2023 and continued to strengthen its earnings in FY2024 and FY2025. Profit before tax ("PBT") increased significantly to RM21.5 million in FY2025, representing the highest level over the five-year period. Correspondingly, profit after tax ("PAT") rose to RM11.2 million, reflecting the Group's improved bottom line performance.

The Group's gross margin improved from 57% in FY2021 to 70% in FY2025, reflecting enhanced cost efficiency, better project execution and a more favourable business mix. Similarly, PBT margin improved from 4% in FY2021 to 20% in FY2025. In line with this, PAT margin strengthened from a negative 0.3% in FY2021 to 10% in FY2025, demonstrating stronger earnings quality and operational leverage.

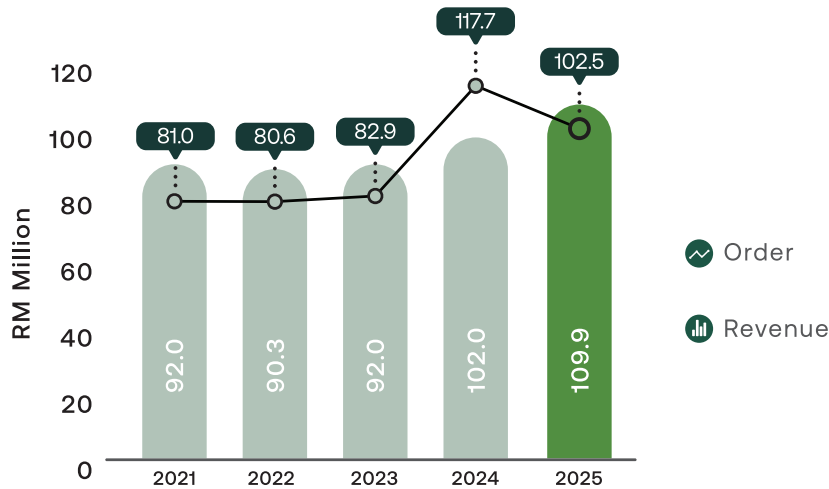
From a financial position perspective, total assets remained relatively stable over the five-year period, while borrowings were maintained at manageable levels. The net gearing ratio improved to 0.37 in FY2025 from 0.46 in FY2022, reflecting a gradual deleveraging trend.

Liquidity position also improved, with the current ratio strengthening to 1.02 in FY2025 (FY2023: 0.98; FY2024: 0.99), indicating better short-term financial resilience.

Overall, the Group's five-year performance highlights a successful turnaround, underpinned by improved operational efficiency, disciplined cost management and a more resilient business model, positioning the Group for sustainable growth going forward.

2025 FINANCIAL PERFORMANCE REVIEW

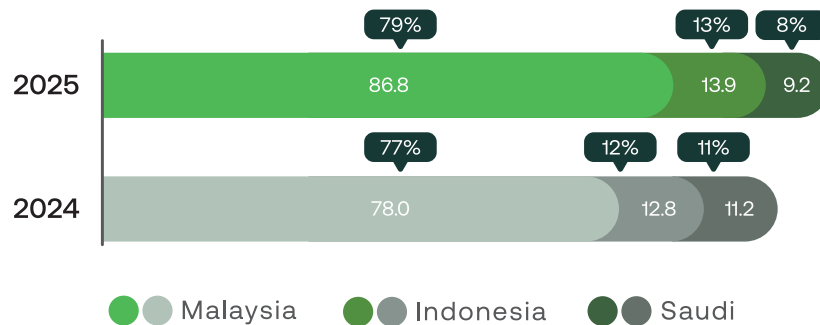
Order & Revenue



The Group's orders remained relatively stable between FY2021 and FY2023, averaging approximately RM81.5 million annually. In FY2024, orders increased significantly by 42% to RM117.7 million, before moderating by 13% to RM102.5 million in FY2025. Notwithstanding the decline, the FY2025 order level remains above historical averages, indicating sustained demand and a stable pipeline of projects.

Revenue continued its upward trajectory, increasing from RM92.0 million in FY2021 to RM109.9 million in FY2025. The growth in FY2025 reflects effective conversion of the Group's order book into revenue during the financial year.

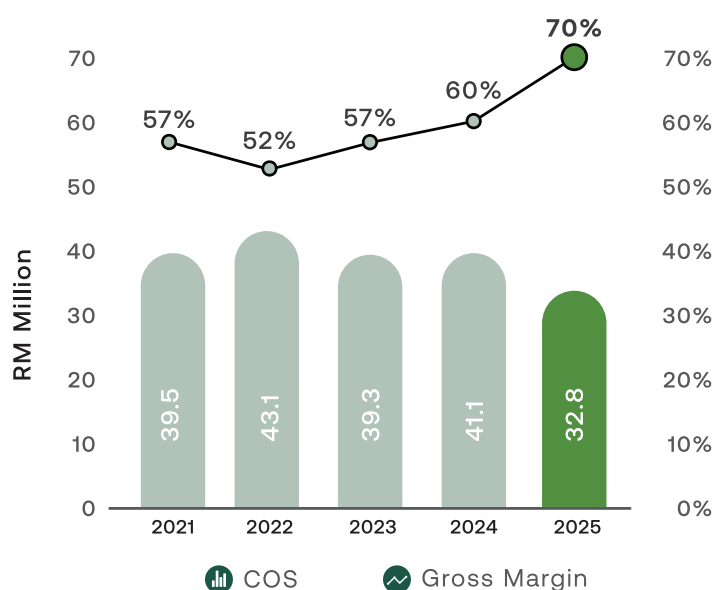
Geographical Revenue Distribution



In terms of geographical breakdown, the Group recorded an overall increase in revenue of 8%, or RM7.9 million, largely driven by higher contributions from Malaysia and Indonesia operations of RM8.8 million and RM1.1 million, respectively. This was partially offset by a decrease in revenue from the Saudi Arabia operations of RM2.0 million.

Malaysia remained the largest revenue contributor in FY2025, accounting for 79% of total revenue (FY2024: 77%). Indonesia's contribution increased slightly to 13% (FY2024: 12%), reflecting improved business activity, while Saudi Arabia contributed 8% (FY2024: 11%) due to fewer projects secured during the year.

Cost of Sales & Gross Margin



Cost of sales (“COS”) decreased to RM32.8 million in FY2025 from RM41.1 million in FY2024, despite the increase in revenue during the financial year. This was mainly attributable to effective cost optimisation initiatives, improved project execution and better management of direct costs. The reduction reflects enhanced operational efficiency and a more favourable project mix.

The Group’s COS mainly comprised of subcontractor costs, manpower costs, equipment cost, consumables and lab cost:

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

Subcontractor costs remained the largest component of the Group’s COS structure and accounted for 29% (FY2024: 31%) of the total COS for the year, followed by manpower costs which accounted for 26% (FY2024: 28%) of the total COS. Consumables and lab costs are the third highest component of the Group’s COS and accounted for 24% (FY2024: 20%), while equipment costs and other expenses contributed 10% (FY2024: 8%) and 11% (FY2024: 13%) respectively.

Gross Profit

Lower cost of sales, coupled with higher revenue, resulted in a significant increase in gross profit to RM77.1 million (FY2024: RM61.0 million).

Accordingly, the Group’s gross margin improved to 70%, from 60% in the preceding year. The improvement was driven by stronger margins from both the environmental monitoring, consultancy and services segment and laboratory testing services segment supported by better cost management and improved project execution during the financial year.

Other Income

Other income decreased to RM1.8 million in FY2025 from RM2.0 million in FY2024, mainly due to lower returns from fixed deposits and placements following the withdrawal of funds to support operational needs.

Overall, other income remained supported by recurring sources such as profit income from fixed deposits and placements and IT support services, reflecting a more normalised level of non-core income.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 8% to RM51.2 million in FY2025 (FY2024: RM47.5 million), mainly attributable to higher other operating expenses and increased depreciation and amortisation.

Other operating expenses increased by 30% to RM15.4 million (FY2024: RM11.9 million), primarily driven by higher foreign exchange losses following the strengthening of Ringgit against US Dollar and Saudi Riyal.

Depreciation and amortisation expenses rose by 6% (approximately RM0.4 million), largely due to the acquisition of a new office building, as well as additional laboratory and computer equipment to support the expansion of the lab testing and services segment, particularly in Johor.

Partially offsetting the above, personnel costs decreased by 3% to RM28.3 million (FY2024: RM29.2 million), primarily due to lower provision for staff bonuses, compared to the higher provision recorded in the previous year, which included additional profit-sharing incentives.

Overall, the increase in administrative and other operating expenses was moderate and commensurate with the Group's higher level of business activity. Coupled with stronger revenue and improved gross margins, the impact of the higher cost base was effectively absorbed, contributing to the Group's improved profitability in FY2025.

Zakat

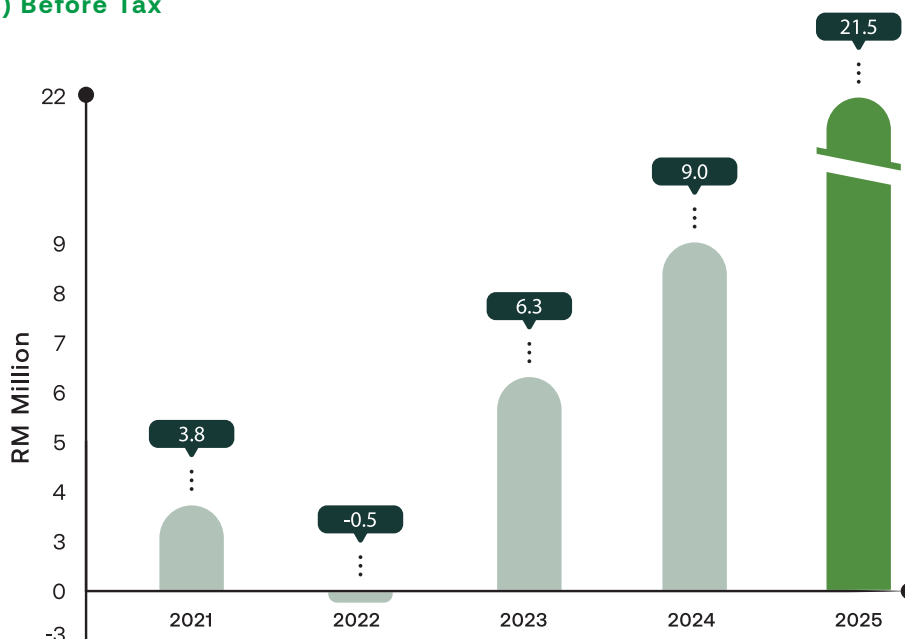
Zakat expense remained relatively stable at RM0.46 million in FY2025, compared to RM0.47 million in FY2024. The slight decrease was due to a lower provision made during the financial year. Over the years, zakat expense has remained consistent and continues to reflect the Group's commitment to fulfilling its statutory and religious obligations.

Finance cost

Finance costs decreased marginally to RM5.8 million in FY2025 (FY2024: RM6.0 million), mainly due to a slight reduction in bank borrowings.

Despite the decline, finance costs remain elevated compared to earlier years, reflecting the Group's continued reliance on external financing to support its operations and growth initiatives. Nevertheless, the impact of finance costs was mitigated by the Group's stronger operating performance during the year.

Profit/(Loss) Before Tax



The Group recorded a significant increase in profit before tax (“PBT”) to RM21.5 million in FY2025, compared to RM9.0 million in FY2024, representing an increase of 140%.

The substantial improvement in PBT was primarily driven by higher revenue, a significant increase in gross profit resulting from lower cost of sales and improved operational efficiency during the financial year. While administrative and other operating expenses increased moderately, the strong growth in gross profit more than offset these factors.

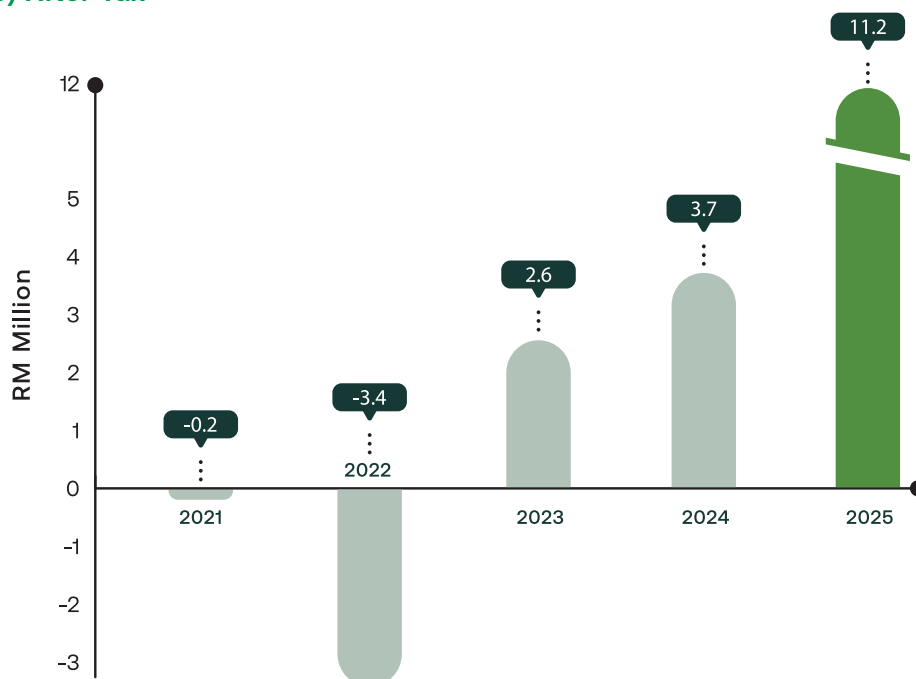
Consequently, the Group’s PBT margin strengthened to 20% (FY2024: 9%), marking the highest level over the five-year period and reflecting enhanced profitability and operational effectiveness.

Tax Expenses

Tax expense increased to RM10.3 million in FY2025 from RM5.3 million in FY2024, in line with the higher taxable profits generated during the financial year. The increase was also impacted by the reversal of deferred tax assets amounting to RM2.0 million.

The Group’s effective tax rate remained above the statutory rate, primarily due to non-deductible expenses, losses in certain subsidiaries that are not available for tax relief, as well as the impact of the deferred tax asset reversal during the year.

Profit/(Loss) After Tax



The Group recorded a significant increase in profit after tax (“PAT”) to RM11.2 million in FY2025, compared to RM3.7 million in FY2024, representing an increase of 202%, with the PAT margin improving to 10% from 4% in FY2024.

The growth in PAT was driven by higher profit before tax, supported by stronger revenue, improved gross margins and enhanced operational efficiency, notwithstanding the higher tax expense. Overall, the improvement in PAT reflects the Group’s strengthened earnings capacity and improved financial performance during FY2025.

Overall Performance Summary

Overall, FY2025 marked a significant turnaround for the Group, underpinned by sustained revenue growth, improved cost efficiency and stronger operational execution. Despite a moderation in order intake during the year, the Group successfully converted its existing order book into higher revenue, while achieving meaningful cost optimisation that led to a substantial expansion in margins.

The Group’s profitability improved markedly, with both profit before tax and profit after tax reaching their highest levels over the five-year period, reflecting enhanced earnings quality and operational resilience. This was achieved alongside disciplined cost management and improved project delivery across key business segments.

Notwithstanding the higher tax expense and continued reliance on external financing, the Group's strengthened financial performance demonstrates its improved ability to generate sustainable returns. The results achieved in FY2025 position the Group on a firmer footing, providing a solid platform for continued growth and value creation in the years ahead.

WORKING CAPITAL MANAGEMENT

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

PICORP's financing structure is largely made up of short-term borrowings which is used to finance the business operations. The total borrowings as of FY2025 had slightly decreased by 3% to RM61.1 million as compared to RM62.7 million in FY2024. Lower facility utilisation and reduced profit rate charged by the banks have resulted in lower finance costs incurred during the year of RM5.8 million (FY2024: RM6.0 million).

In FY2025, PICORP's cash and bank balances reduced to RM41.9 million, a decrease of 6% from RM44.6 million in FY2024. PICORP's liquidity position slightly improved, with the current ratio rising to 1.02 times in FY2025 compared to 0.99 times in FY2024, reflecting stronger short-term financial health. The net gearing ratio declined to 0.37 times from 0.38 times in FY2024, supported by a reduction in total borrowings and an increase in equity.

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

PICORP CORE BUSINESSES



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

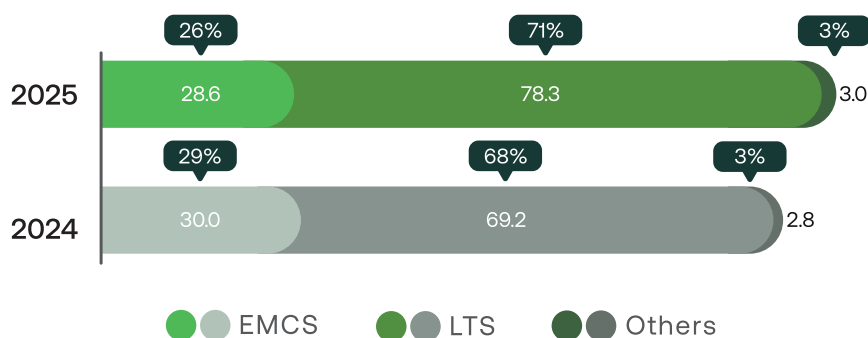
PICORP provides services to various sectors such as environmental, oil and gas, power, utility, food, pharmaceutical and agrochemicals. These clients are mainly private sectors, state governments and municipalities in Malaysia, Indonesia and Saudi Arabia.

Under EMCS segment, operations in Malaysia encompass air and water quality monitoring, domestic wastewater treatment and water and industrial wastewater treatment, complemented by environmental consultancy and training. In Saudi Arabia, EMCS operations are primarily focused on Integrated Pest Management (IPM) services, which include pest control, surveillance and laboratory testing for both public and private sectors.

The LTS segment encompasses environmental testing, food safety testing (including Halalan Toyyiban assurance), pharmaceutical and medical device testing, agrochemical and pesticide testing, industrial hygiene, biotechnology and tribology. The Group operates a network of strategically located laboratories in Malaysia, comprising four ISO/IEC 17025-accredited laboratories covering food chemistry, microbiology, and environmental testing, as well as a Good Laboratory Practice (GLP)-accredited laboratory. Notably, this is the only laboratory in Malaysia accredited with GLP by the Department of Standards Malaysia (DSM), enabling it to conduct regulatory-compliant testing for agrochemicals such as pesticides and fertilisers.

Supported by a strong brand reputation and consistent service excellence, ALS Malaysia, together with its subsidiary ALS Indonesia, ranks among the leading laboratory testing providers in the region. This is further evidenced by ALS Malaysia’s recognition as the Institute Kimia Malaysia (IKM) Laboratory Excellence Award winner for 23 consecutive years. In addition, ALS Malaysia holds accreditations from key regulatory and industry bodies, including the Ministry of Health Malaysia (Food Safety and Quality Division), the National Institute of Occupational Safety and Health (NIOSH), BioNexus Partners (BNP) Status Laboratory by Bioeconomy Development Corporation, the Ministry of Environment and Water, the National Pharmaceutical Regulatory Agency (NPRA) and is also a GMP+ registered laboratory for mycotoxins, heavy metals and pesticides.

Revenue Contribution by Core Businesses

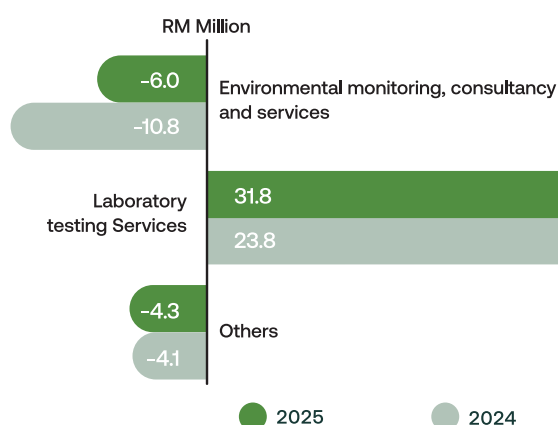


The overall increase in revenue by 8% to RM109.9 million in FY2025 (FY2024: RM102.0 million) was primarily driven by a 13% growth in the laboratory testing services segment.

Laboratory testing services segment remained the largest revenue contributor, accounting for 71% of the total revenue (FY2024: 68%), with the segment’s revenue increasing significantly to RM78.3 million from RM69.2 million in the preceding year.

The environmental monitoring, consultancy and services segment contributed 26% of the total revenue, amounting to RM28.6 million, representing a marginal decline of 3% from RM30.0 million in FY2024. Meanwhile, other supporting products and services accounted for the remaining 3% (FY2024: 3%) with revenue increasing to RM3.0 million from RM2.8 million in FY2024.

Profitability by Core Businesses

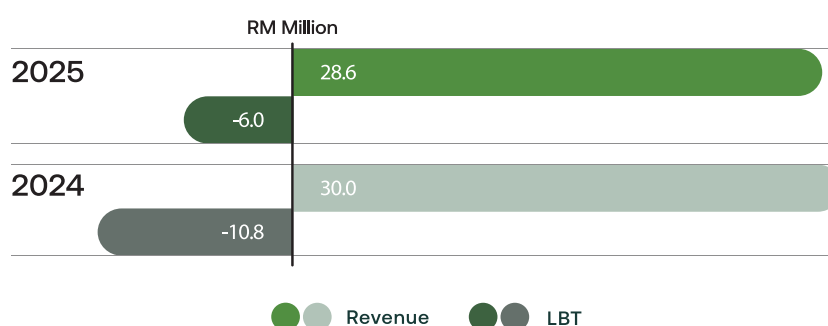


In terms of profitability, the laboratory testing services segment remained the primary contributor to the Group's profit before tax ("PBT") in FY2025, consistent with its revenue contribution. The segment's PBT increased significantly by 33% to RM31.8 million (FY2024: RM23.8 million), driven by higher revenue and improved margins during the financial year.

The environmental monitoring, consultancy and services segment continued to record losses, albeit at a reduced level. Losses narrowed by 44% to RM6.0 million in FY2025 (FY2024: RM10.8 million), mainly attributable to improved performance in the Saudi operations, where losses decreased by 42% from RM10.7 million to RM6.2 million.

The Others segment, which comprises results from office rental, investment activities and corporate eliminations, recorded a marginal increase in losses to RM4.3 million (FY2024: RM4.1 million), mainly due to higher travelling and marketing expenses incurred during the financial year.

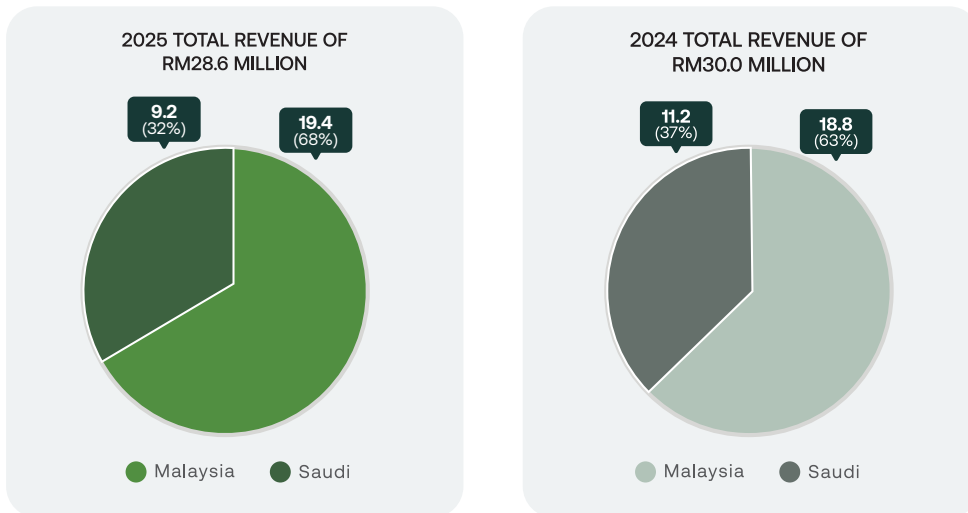
ENVIRONMENTAL MONITORING, CONSULTANCY AND SERVICES



For FY2025, revenue from the environmental monitoring, consultancy and services segment declined marginally by 3% to RM28.6 million from RM30.0 million in FY2024.

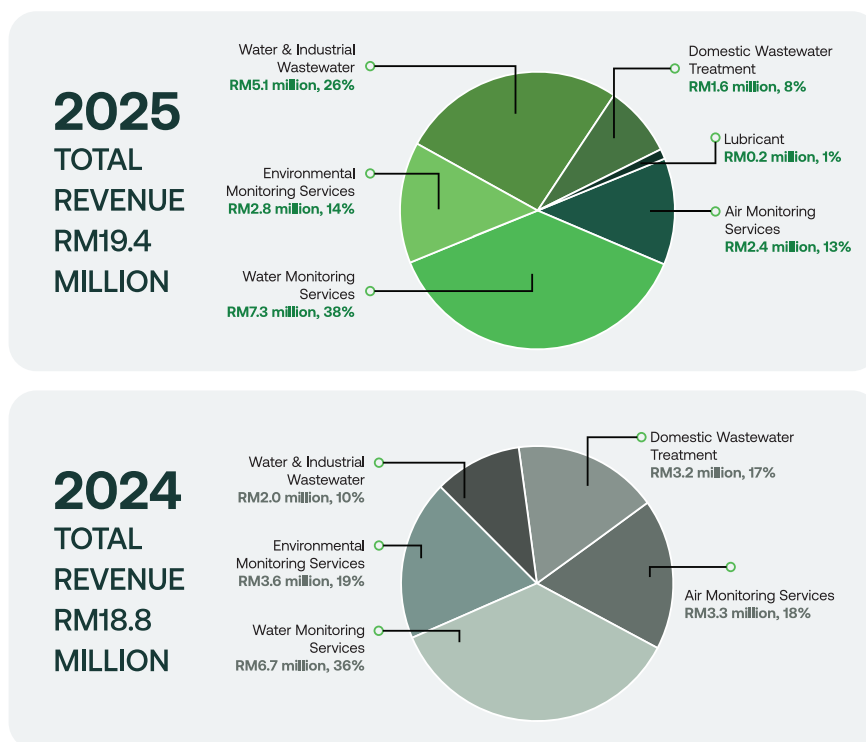
Despite the slight decrease in revenue, the segment's loss before tax ("LBT") improved significantly, narrowing by 44% to RM6.0 million from RM10.8 million in FY2024. This improvement was primarily attributable to reduced losses from the Saudi operations during the financial year.

Revenue Contribution by Geography



In FY2025, the environmental monitoring, consultancy and services segment recorded a slight decline in revenue to RM28.6 million (FY2024: RM30.0 million), primarily due to a 18% decrease in contributions from Saudi operations. This was partially mitigated by a marginal increase in revenue from the Malaysia operations, which rose to RM19.4 million in FY2025 compared to RM18.8 million in the preceding year.

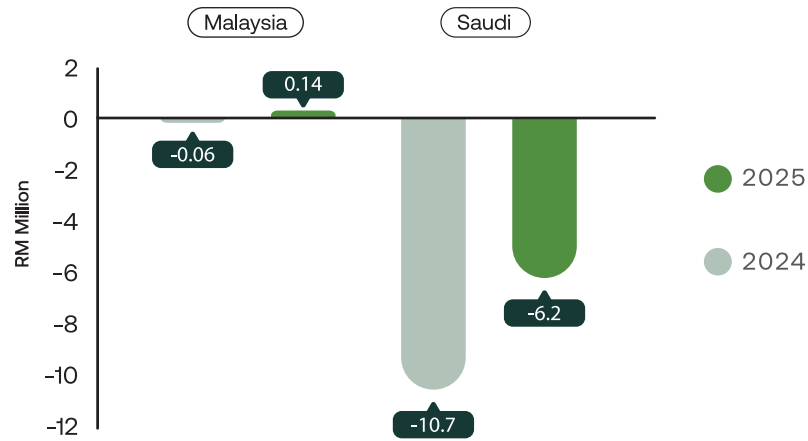
Revenue Contribution from Malaysian Operations by Sub-segment



Major revenue contributors within the environmental monitoring, consultancy and services segment in Malaysia for FY2025 were water monitoring services at RM7.3 million (FY2024: RM6.7 million), followed by water and industrial wastewater at RM5.1 million (FY2024: RM2.0 million), environmental monitoring services at RM2.8 million (FY2024: RM3.6 million) and air monitoring services at RM2.4 million (FY2024: RM3.3 million). These segments accounted for 38%, 26%, 14% and 13% of the segment's total revenue respectively.

The marginal increase in revenue registered in FY2025 was primarily driven by stronger performance in the water monitoring and water and industrial wastewater segments, supported by higher order secured and improved project execution. This was partially offset by lower revenue contributions from other segments, reflecting slower project conversion during the financial year.

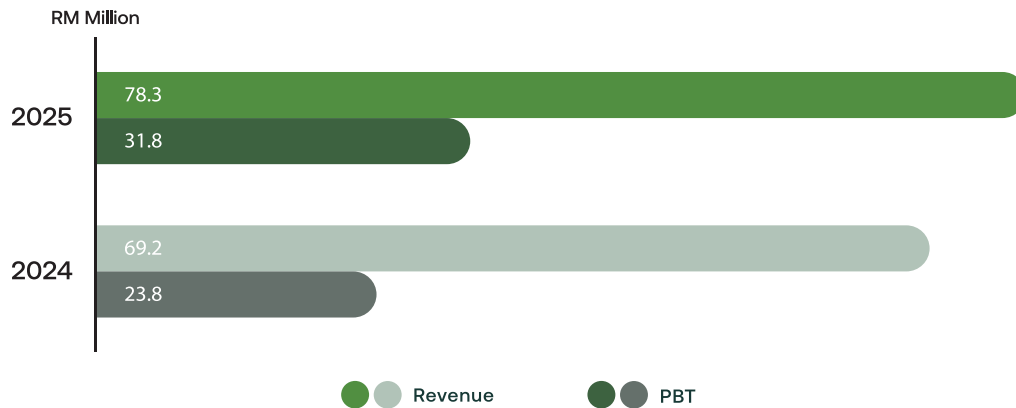
Profit/(Loss) Before Tax Contribution by Geography



Malaysia operations recorded a notable improvement in performance, registering a marginal profit before tax (“PBT”) of RM0.14 million in FY2025, compared to a loss before tax (“LBT”) of RM0.06 million in FY2024, representing a turnaround to profitability during the financial year.

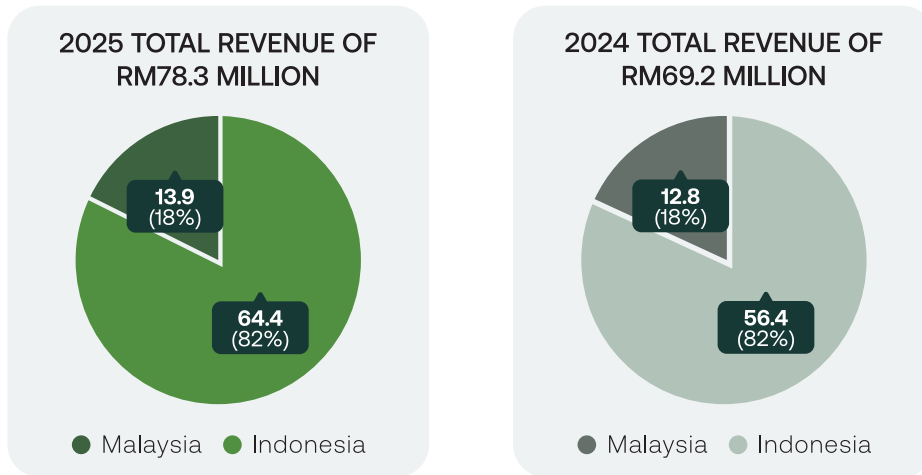
Saudi operations achieved a significant reduction in losses, with LBT narrowing to RM6.2 million in FY2025 (FY2024: RM10.7 million), representing a 42% improvement. The improvement was primarily attributable to the absence of non-recurring project derecognition recorded in the preceding year.

LABORATORY TESTING SERVICES



In FY2025, revenue from the laboratory testing services segment increased by 13% to RM78.3 million from RM69.2 million in FY2024. In line with the higher revenue and improved margins, the segment’s profit before tax (“PBT”) rose by 33% to RM31.8 million, compared to RM23.8 million in the preceding year.

Revenue Contribution by Geography

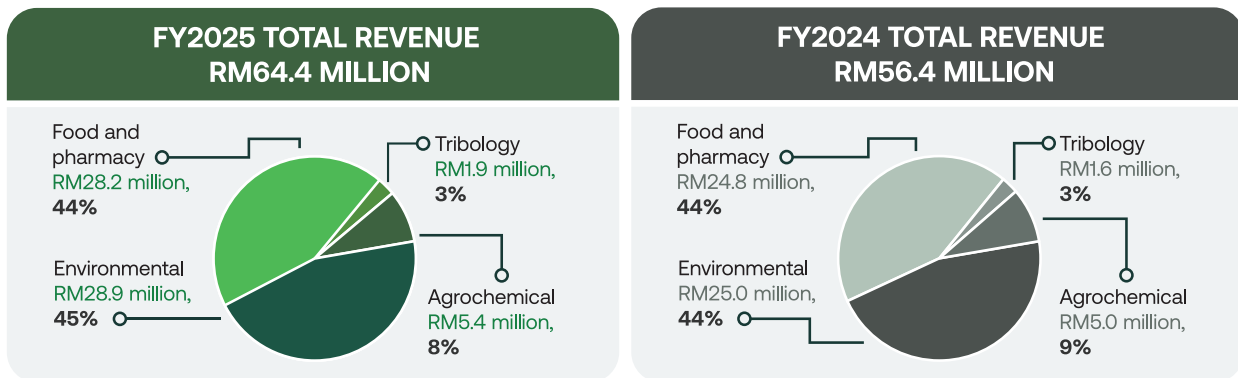


The geographical revenue mix between Malaysia and Indonesia remained largely unchanged, with Malaysian operations contributing 82% and Indonesian operations accounting for 18% of the segment’s total revenue in both financial years.

Revenue from Malaysian operations increased by 14% to RM64.4 million (FY2024: RM56.4 million), driven primarily by higher contributions from the environmental as well as food and pharmaceutical segments.

Similarly, Indonesian operations recorded a 9% increase in revenue to RM13.9 million (FY2024: RM12.8 million), supported by higher sample volumes and increased testing activities during the financial year.

Revenue Contribution from Malaysian Operations by Sub-segment

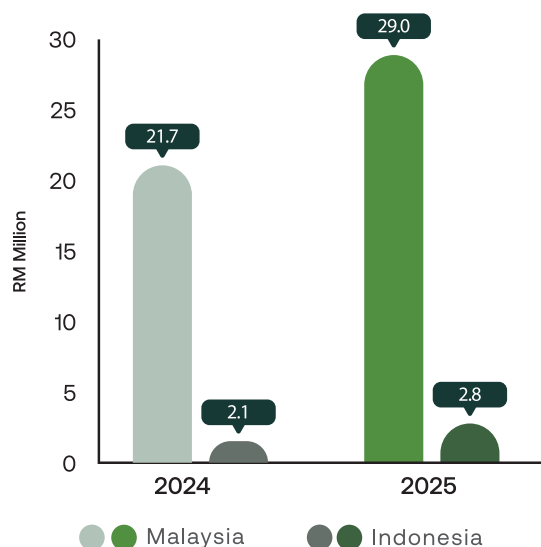


Major revenue contributors within the laboratory testing services segment in Malaysia for FY2025 were the environmental and food and pharmaceutical testing segments, which generated RM28.9 million (FY2024: RM25.0 million) and RM28.2 million (FY2024: RM24.8 million), accounting for 45% and 44% of the segment’s total revenue, respectively.

In addition, the agrochemical segment contributed RM5.4 million, representing 8% of total segment revenue (FY2024: RM5.0 million), reflecting its growing contribution following the acquisition.

The increase in revenue from the environmental and food and pharmaceutical testing segments, which grew by 16% and 14% respectively, was primarily driven by higher sample and task volumes and the acquisition of new clients during the financial year.

Profit Before Tax Contribution by Geography



In FY2025, profit before tax (“PBT”) from the Malaysian operations increased by 33% to RM29.0 million (FY2024: RM21.7 million), driven by higher gross profit arising from increased revenue and improved margins during the financial year.

Similarly, PBT from the Indonesian operations rose by 33% to RM2.8 million (FY2024: RM2.1 million), primarily attributable to lower operating expenses recorded during the year compared to the preceding year.

🔗 BUSINESS OUTLOOK

The global outlook for 2026 presents a more challenging environment, reflecting a shift from resilience towards a gradual slowdown. In January 2026, the International Monetary Fund (IMF) projected a relatively stable global growth outlook, with global GDP expected to expand at approximately 3.3%, supported by continued investment in technology and artificial intelligence (AI), supportive macroeconomic policies, and resilient private sector activity. However, the March 2026 update by the Organisation for Economic Co-operation and Development (OECD) indicates a deterioration in global economic momentum, with growth revised downward to around 2.9%, reflecting escalating geopolitical tensions, particularly in the Middle East, disruptions to global trade and energy supply chains, as well as tightening financial conditions and increased market volatility.

At the same time, global inflation dynamics show signs of reversal. The IMF’s January baseline projected global headline inflation to ease to approximately 3.8% in 2026 (from 4.1% in 2025), supported by normalising supply chains, moderating commodity prices, and the effects of restrictive monetary policies. Nevertheless, the OECD highlights a reversal of this disinflation trend, with G20 inflation expected to rise to around 4.0%, driven primarily by energy-related shocks, including higher oil, gas, and fertiliser prices, supply chain disruptions, and the pass-through of higher input costs to consumers.

These developments suggest a structural shift in global economic conditions. The earlier expectation of a “soft landing” scenario is increasingly challenged by emerging stagflation risks, characterised by slower growth alongside rising inflationary pressures. Key risk drivers include energy price shocks, trade disruptions, heightened financial market volatility, and policy constraints as central banks balance inflation control with growth support.

Source: International Monetary Fund (IMF), World Economic Outlook Update, January 2026

Source: OECD, Economic Outlook Interim Report, March 2026

Amid these evolving global developments, Malaysia’s economic outlook for 2026 remains resilient, supported by strong domestic demand and steady external performance. Bank Negara Malaysia (BNM) projects GDP growth to range between 4.0% and 5.0%, underpinned by sustained private consumption driven by firm labour market conditions, income growth, and continued policy support. Investment activity is expected to remain robust, supported by the continued realisation of approved investments, ongoing multi-year projects, and initiatives under national master plans. External demand is also expected to remain supportive, particularly from the electrical and electronics (E&E) sector amid the global technology upcycle, alongside stronger tourism activity in conjunction with Visit Malaysia Year 2026. Malaysia’s position as a net energy exporter is expected to provide a degree of resilience against higher global commodity prices.

Inflation in 2026 is expected to remain moderate and close to its long-term average, with headline inflation projected to range between 1.5% and 2.5%, while core inflation is expected to average between 1.8% and 2.3%. This reflects easing global cost pressures, stable domestic demand, and the mitigating effects of exchange rate movements and policy measures. However, the outlook remains subject to external risks, particularly from global commodity price volatility, supply disruptions, and geopolitical developments in the Middle East, which could influence cost pressures and overall inflation dynamics.

Source: Bank Negara Malaysia Economic and Monetary Review 2025, March 2026

Bank Negara Malaysia (BNM) is expected to maintain a prudent monetary policy stance, balancing the need to support economic growth while ensuring price stability amid external uncertainties. The Overnight Policy Rate (OPR) is currently maintained at 2.75%, and is expected to remain stable unless there are significant changes in inflationary pressures or economic conditions. This measured approach is intended to sustain domestic economic momentum while preserving overall financial stability.

Source: Bank Negara Malaysia, Monetary Policy Statement, March 2026

The Malaysian Ringgit is expected to face short-term volatility and depreciation pressures, driven by heightened geopolitical tensions, particularly the Middle East conflict, which has strengthened the US dollar and weakened market sentiment. The currency is projected to trade around RM3.94–RM3.98 per USD in the near term, before strengthening to approximately RM3.83–RM3.85 by end-2026, supported by stable inflation, steady interest rates, and narrowing rate differentials. However, prolonged geopolitical tensions, higher oil prices, and global market volatility remain key downside risks.

Source: The Edge Malaysia, Cover Story: Pressure on ringgit temporary, but prolonged Middle East conflict increases risk, March 2026

However, the outlook remains subject to external uncertainties. Global trade and capital flow dynamics, coupled with escalating geopolitical tensions, particularly in the Middle East, may result in higher commodity and energy prices, increased financial market volatility, and potential spillover effects on domestic growth and inflation. In addition, rapid advancements in artificial intelligence (AI), while presenting opportunities for productivity gains, may also introduce risks of market corrections and heightened volatility. The extent of these risks will depend on the duration, intensity, and severity of global developments.

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

EMCS

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

PICORP, through its subsidiary ASMA, focuses on key sectors such as water and industrial wastewater, leveraging its MYHERO series to ensure effluent compliance, support industrial water recycling, and meet drinking water standards. Successful project implementations in Kelantan have strengthened ASMA's credibility in the water industry, creating opportunities for further collaboration with water operators. In the domestic wastewater segment, ASMA is well-positioned to benefit from Malaysia's construction industry, which is expected to expand at an average annual rate of 4% between 2026 and 2029, driving increased demand for wastewater treatment solutions. At the same time, ASMA is enhancing its capabilities through the adoption of digital solutions and advanced technologies, including IoT and ESG initiatives, to support long-term competitiveness, innovation, and sustainable business growth. Regionally, ASMA continues to explore growth opportunities in Indonesia by leveraging ESG-driven demand and stricter environmental regulations, particularly within industrial zones that attract sustainability-focused investors. ASMA also remains focused on strengthening its financial position through improved operational efficiency, effective cash flow management, and optimal utilisation of manpower.

In Saudi Arabia, Saudi ASMA, a subsidiary of PICORP, is expanding its Integrated Pest Management (IPM) business segment by offering comprehensive services, including pest control, surveillance, and laboratory testing for both public and private sectors. Leveraging its proven expertise and strong track record, the company is strengthening its IPM portfolio by expanding its presence across key regions and market segments, in line with the growing demand for smart and sustainable solutions aligned with Saudi Arabia's Vision 2030. In parallel, Saudi ASMA is also pursuing growth opportunities in the environmental waste segment to further expand its footprint in the Kingdom's environmental services market. At the same time, the company continues to enhance its operational and financial performance through improved cash flow management, strengthened governance and systems, and greater manpower efficiency.

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

This confidence is underpinned by PICORP's successful execution of its EMCS three-year turnaround plan, which has delivered strong results. In 2025, PICORP achieved its first PATAMI milestone after five consecutive years of LATAMI. Building on this momentum, PICORP will embark on an enhanced EMCS five-year turnaround plan (2026–2030) to further strengthen performance and drive sustainable growth.

●● LTS

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

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

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

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

●● BUSINESS RISKS

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

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

Key Business Risks	Description	Key Risk Mitigation Plans
Geopolitical Risks	<p>The ongoing conflict in the Middle East may have a direct impact on operations in Saudi Arabia, while indirectly affecting operations in Malaysia and Indonesia through potential disruptions to supply chains, increased cost, market instability, and overall business continuity.</p>	<ol style="list-style-type: none"> i. Incorporate fuel price and cost fluctuations into project costing and pricing, aligned with prevailing government-regulated pricing adjustments. ii. Prioritise operations and market focus in regions with lower geopolitical exposure. iii. Diversify suppliers and logistics channels to minimise disruptions. iv. Monitor regulatory developments and comply with relevant requirements v. Adhere to advisories and guidance issued by relevant embassies and diplomatic channels. vi. Activate the Crisis Management Plan to ensure timely response and continuity of operations during geopolitical disruptions.
Business Continuity Risks	<p>The ability of the Group to continue operating as usual, secure sustainable sources of business, and expand through business diversification.</p>	<ol style="list-style-type: none"> i. Diversification strategies are in place to alleviate over-concentration on any one single brand or products. ii. Close monitoring of competitors' strategies to sharpen understanding of industry and market trends. Then work with strategic clients & partners in pursuing business with those clients & partners. iii. Continue to work with key principals to enhance price competitiveness. Then, promote to existing key customers the Integrated solution and create new installed base for the business long run. iv. Step up digitalisation to leverage on innovative solutions that streamline operations and optimise costs. v. Maximising digital marketing strategies through virtual platforms such as social medias, website, and CRM system to enable seamless, quicker and wider reach-out to potential clients. vi. To ensure the pursued projects as approved in the Annual Business Plan are secured. vii. Close monitoring of cash flow and securing sufficient funding or financing for project execution to ensure feasibility and successful completion.

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

●● DIVIDEND

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

The Board of Directors does not recommend the payment of dividend for financial year ended 31 December 2025. However, the Board remains confident in recommending dividend payment in the coming year.

The Group has remained steadfast amid challenging local and global market conditions, with FY2025 marking the completion of its 3-year turnaround plan – Road to Profitability. The successful execution of the plan has enabled the Group to strengthen its operational and financial position, providing a more resilient platform for future growth. Building on this progress, the Group will embark on a new 5-year strategic plan commencing in 2026, focusing on sustaining profitability, enhancing operational efficiency and driving long-term value creation.

Nonetheless, the Management wishes to emphasise that the preparation of the Management Discussion & Analysis Statement is based on information and outlook prevailing at the time of writing and therefore should be read with due care in judgement and interpretation.



04

Sustainability Statement



SUSTAINABILITY STATEMENT



•• SUSTAINABILITY AT PICORP

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

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

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

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

Sustainability Value Creations



SUSTAINABLE
SYSTEM &
INFRASTRUCTURE



SUSTAINABLE
PROCESSES



SUSTAINABLE
PRODUCTS &
SERVICES

🌱 SUSTAINABILITY DISCLOSURES

Coverage

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

References and Guidelines

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

Reporting Period

This report covers PICORP Group’s performance from 1 January 2025 to 31 December 2025 (“FY2025”), unless otherwise stated.

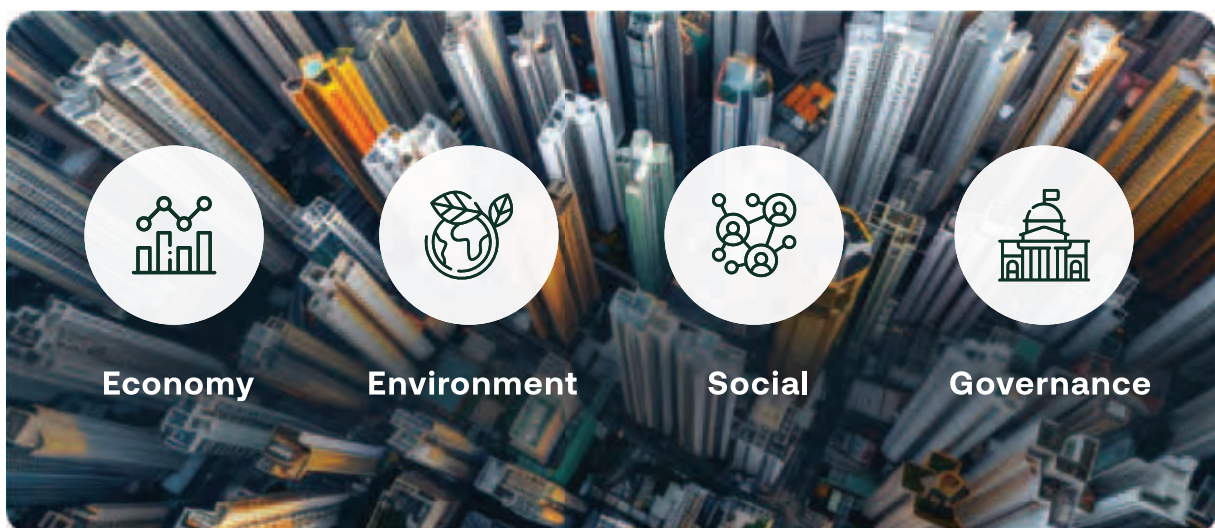
Statement of Assurance

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

Sustainable Impact

The PICORP Sustainability Statement 2025 outlines various steps we have taken to create sustainable values: aligning sustainability considerations to our business strategies; focusing on the material matters affecting stakeholders and business value and creating a positive impact in a challenging business environment.

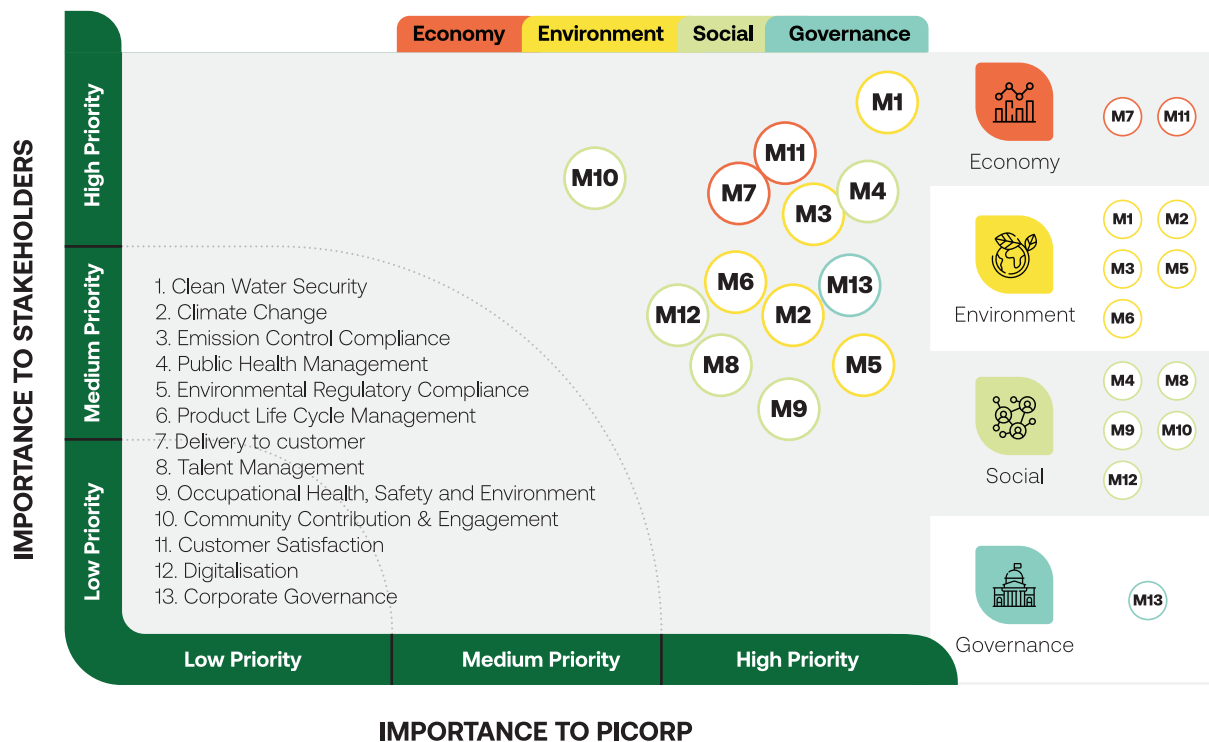
Our sustainability statement considers the Economic, Environmental and Social (“EES”) impacts on value creation whilst incorporating the governance element of Environment, Social and Governance (“ESG”) as it is a crucial tool in sustainability to address our financial and business resilience. Each organisation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



●● MATERIAL SUSTAINABILITY MATTERS

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

The outcome of the materiality assessment is illustrated below:



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

🌱 SUSTAINABILITY FRAMEWORK

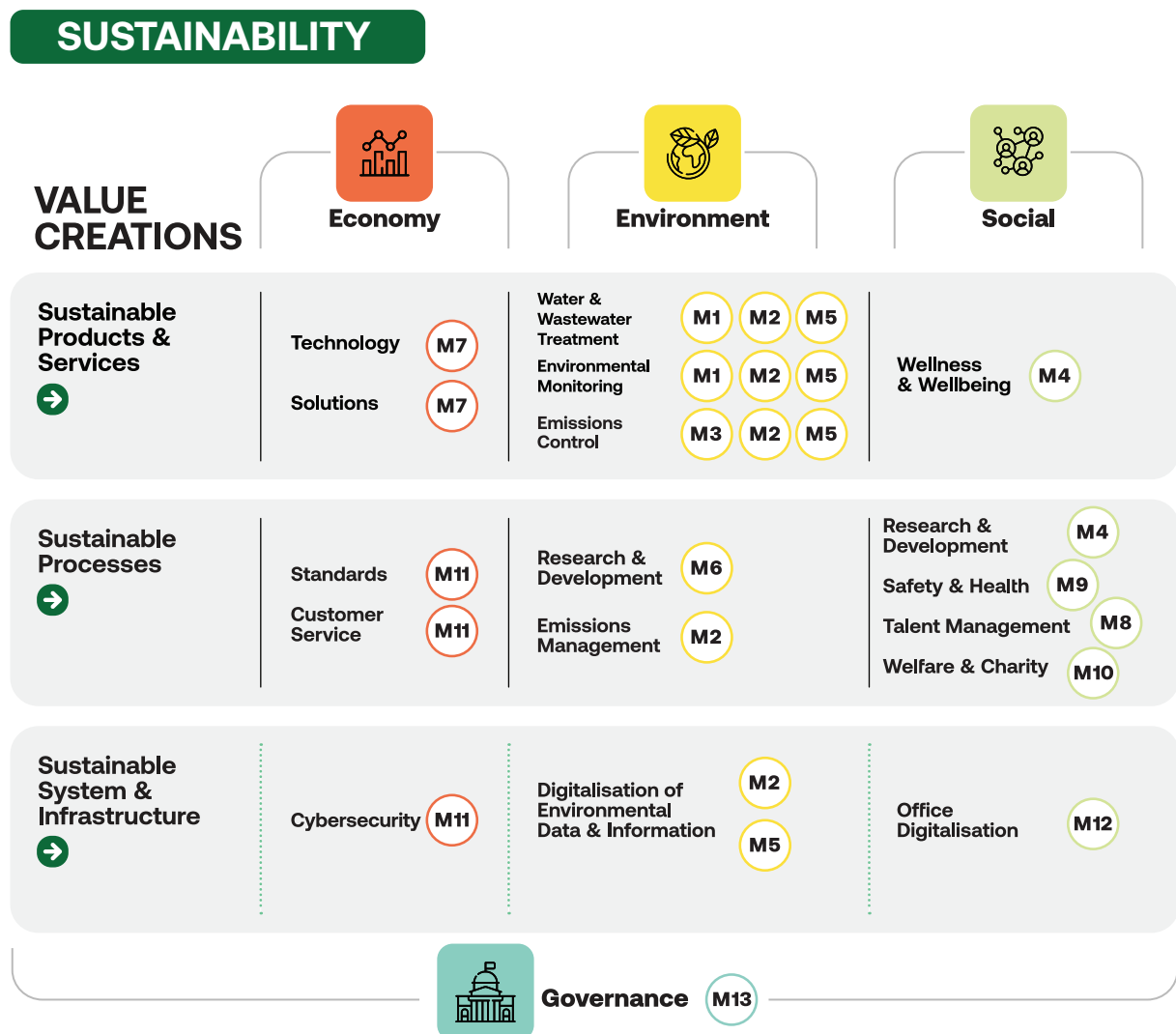
Statement of purpose

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

PICORP's Sustainability Framework

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

In 2025, we ascertained PICORP's Sustainability Framework to effectively plan and execute our sustainability strategies and meet the objectives. This is aligned with PICORP's business priorities to address EESG's impact that will catalyse our sustainability journey. Likewise, PICORP's sustainability considerations and efforts are centred around four (4) key sustainability pillars of EESG which link to three (3) value creations as demonstrated further below. This sustainability framework is embedded into the Group's Business Plan, strategies and key performance indicators. In short, the PICORP's sustainability framework is crafted by adopting the EESG pillars and incorporating the 3 value creations to address the pillars as illustrated below.



PICORP's Sustainability Framework

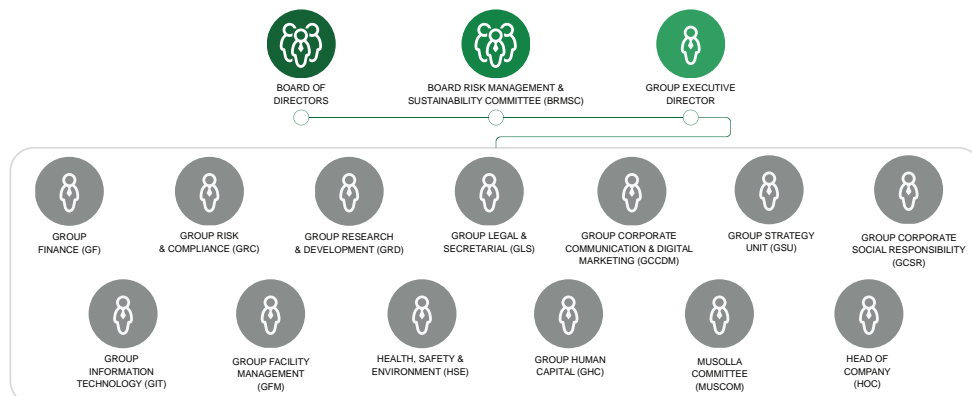
🌱 SUSTAINABILITY GOVERNANCE

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

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

PICORP’s SUSTAINABILITY GOVERNANCE STRUCTURE




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





STAKEHOLDER ENGAGEMENT STATEMENT

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

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

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

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



1.0 Embedding integrity & ethics in business practices

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

GOVERNANCE



Corporate Governance

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

Corporate Governance

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

PICORP Core Values

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

PICORP Control Measures

PICORP's Code of Conduct

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

No Gift Policy

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

Sexual Harassment Policy

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

Anti-Bribery and Corruption Policy

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

Whistleblowing Policy

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

Risk Management Framework

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

YEAR	2023	2024	2025
Percentage of Employees Who Have Received Training on Anti-Corruption by Employee Category.			
General Manager & Above	100%	100%	100%
Manager	100%	100%	100%
Executive & Below	100%	100%	100%
YEAR	2023	2024	2025
Percentage of Operations Assessed for Corruption-Related Risks			
	100%	100%	100%
YEAR	2023	2024	2025
Confirmed Incidents of Corruption and Action Taken			
	0	0	0



Notes:

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

2. Percentage of operations assessed for corruption related risk is referring to percentage of accomplishment in implementing Internal Audit according to 2025 Internal Audit Plan. Internal auditors employ a risk-based approach to assess operations, concentrating on high-risk areas to preemptively detect and manage risks including corruption-related risks. This strategic focus ensures that internal audits function as a proactive mechanism, fostering accountability, transparency, and ethical conduct throughout diverse departments within the organisation.

2.0 Establishing sustainable systems & infrastructure

Every organisation requires a strong foundation that can lead to promoting good business conduct, healthy corporate culture, and effective and efficient business processes. A solid system and good infrastructure are necessary parts of business operations and management. An effective and sustainable system and infrastructure continue to serve the companies, employees, and clients through all the changes we experience. In 2025, PICORP invested approximately RM 1,447,652 to upgrade IT hardware and software that enhance our data, network, and device security protection and also to digitise non-digital systems by creating new or modifying existing processes, systems, and operations.

 Year	2023	2024	2025
 Investment	RM 918,763	RM 1,283,228	RM 1,447,652

CYBERSECURITY



MTI

Customer Satisfaction

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

Our Approach

Modern business operations heavily depend on information security to safeguard sensitive data from cyber threats, data breaches, and other security risks. As part of our continuous commitment to fortifying our IT systems and data privacy and security, the Group adopted and implemented the PICORP Cybersecurity Framework 2025, an enhanced framework with the objectives to:

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

Additionally, the PICORP Cybersecurity Framework 2025 addresses various aspects of cybersecurity, including best practices, outcomes, technical, operational, and managerial security controls. These align with the five risk management functions: Identify, Protect, Detect, Respond, and Recover.

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

In 2024, the Group strengthened its cybersecurity across three key pillars: threat prevention, detection, and data protection. Key initiatives included the deployment of WithSecure, an enterprise antivirus solution that incorporates Endpoint Detection and Response (EDR) and patch management. The Group also implemented FortiGate firewalls and FortiAnalyzer with an IOC module. Microsoft 365 security was enhanced through Multi-Factor Authentication (“MFA”) and backup solutions, ensuring the protection of critical data. IT governance was reinforced through revisions to IT Asset Management and Change Management Standard Operating Procedures (“SOPs”), supporting secure and responsible operations across the Group.

Building on these foundations in 2025, the Group further strengthened its IT governance, operational resilience, and access control. Key initiatives for IT governance included revisions to SOPs across IT Service Request, IT Asset Management, Access Management, Incident Management, and Change Management processes, along with the establishment of Problem Management to streamline issue resolution. Operational resilience was enhanced through improved backup procedures and updated Disaster Recovery processes, safeguarding critical data and ensuring business continuity. In terms of access control and cybersecurity, key initiatives included the rollout of Self-Service Password Reset (“SSPR”) for Microsoft 365, upgrades to the physical access control system, IT cybersecurity vulnerability assessments, and third-party security SLA reviews.

PICORP’s Cybersecurity Pillar-based Initiatives	
Cybersecurity Pillars	Description
Cyber Secure	<p>IT Asset Management: To manage the entire lifecycle of IT assets, including hardware, software, licenses, and digital resources, by implementing a structured and standardised approach to ensure efficiency, compliance, and security.</p> <p>IT Access Management: To control and monitor access to applications, systems, and physical assets using access control policies, authentication mechanisms, and role-based access control to protect sensitive information, maintain system integrity, and reduce unauthorised access risks.</p> <p>IT Change Management: To define and implement a structured change management strategy by planning, testing, and executing changes to ensure successful transformations whilst minimising disruptions.</p> <p>Cybersecurity Assessment: To evaluate the current security posture through vulnerability assessments, penetration testing, and compliance audits to identify weaknesses, mitigate risks, and ensure alignment with regulatory requirements.</p> <p>Endpoint Protection and Patch Management: To prevent data tampering, destruction, and unauthorised access by enabling automatic patching for Windows and third-party software whilst supporting manual updates to close vulnerabilities and maintain data integrity.</p> <p>Network Security Protection: To safeguard the integrity, confidentiality, and availability of data across networks by implementing firewalls, Intrusion Detection and Prevention Systems (IDPS), Virtual Private Networks (VPNs), network segmentation, and continuous monitoring.</p> <p>Email Security Protection: To protect organisational email systems from phishing, malware, and email-based threats through attachment scanning, anti-phishing tools, multifactor authentication (MFA), and link validation to ensure secure communication.</p>

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

As of 31st December 2025, there were zero substantiated complaints concerning breaches in customer privacy or data loss. PICORP Group IT also ensures that any IT General and IT Upgrade and Maintenance requests are responded within a certain timeline. These IT enhancement initiatives have strengthened the protection of all network devices, hence minimising network interruption and downtime.

YEAR	2023	2024	2025
Number of substantiated complaints - privacy breaches or data loss	0	0	0

YEAR	2023	2024	2025
IT Response Time (General)	94%	92%	94%
IT Response Time (Upgrade/Maintenance)	92%	89%	88%

DIGITALISATION AND DIGITISATION



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

Our Approach

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

DIGITALISATION OF ENVIRONMENTAL DATA & INFORMATION



ASMA Integrated Environmental Information Management System (“AIEIMS”) provides integrated and centralised environmental data, real-time basis, automatic data collection, quality assurance, alert notification and auto-synchronisation for the backup data centre.

The early warning systems in AIEIMS are key elements of climate change adaptation and disaster risk reduction to minimise the impacts and reduce the risk of the hazard by encouraging an appropriate and timely behavioural response. This is in tandem with Malaysia’s effort to improve the existing communication system and create a faster and more effective early warning system for disasters for the benefit of the people. This includes adopting the concept of SMS blasting so that we can send early warnings quickly and accurately.

The digitalisation helps reinvent processes, improve quality and promote consistency. By going digital, ASMA enables our clients to have access to all the information they need anytime, anywhere from any device.

OFFICE DIGITALISATION



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

In 2025, the Group also implemented new automation tools into selected business processes such as human capital and ASMA operation.

PICORP's DRIVING ACTION TO OFFICE DIGITALISATION & DIGITISATION

Initiatives	Description
Digitalisation of Office Processes	Leveraging on Microsoft Office 365 to boost employees' productivity and efficiency by utilising its features such as cloud storage (One Drive), real-time collaboration tools (MS Team, SharePoint), latest applications (Outlook, Words, PowerPoint, Power BI), and advanced security feature (Microsoft Admin Centre). This allows our workforce to be mobile and flexible when working as they are able to work, collaborate, and access files from any device, anywhere at any time.
Digitalisation of Customer Relationship Management	<p>Utilising CRM solutions to better manage customer relationships and interactions, ASMA leverages HubSpot to streamline its marketing and sales activities by centralising customer data, improving lead management, and automating tasks, whilst ALS employs Bigin by Zoho and Webtrieve to optimise sales processes, close more deals, and accelerate growth.</p> <p>In 2025, ALS introduced ALS Solution to further enhance customer collaboration and service delivery. This comprehensive client collaboration platform supports both retailers and manufacturers, providing access to essential tools and reliable quality results. It enables informed decision-making while ensuring the safety and quality of products.</p>
Digitalisation of Enterprise Risk Management	Leveraging the TRICORRADAR system as an ERM, the Group enhances its risk management processes through improved system functionality, a better user experience, increased process automation, enhanced reporting capabilities, and greater system stability.
Digitalisation of Human Capital Processes	Migrating from HR2000 Quickpay to HR2000 iPayroll , Group Human Capital successfully launched the new system in August 2024. The iPayroll system incorporates modules such as e-Payroll, e-Attendance, and e-Leave. This migration has significantly streamlined HR processes, improving efficiency in leave applications, payroll management, overtime tracking, attendance monitoring, and reporting.
Digitalisation of Finance and Supply Chain Management Processes	Utilising a flexible Enterprise Resource Planning ("ERP") system, namely SAGE X3 , the Group is able to control the bottom line with accuracy and real-time global visibility whilst accommodating local operational requirements. The Group is also able to keep up with demand and ensure optimal efficiency through real-time monitoring of inventory status. In 2025, SAGE X3 was upgraded to include e-invoicing features, ensuring compliance with e-invoicing requirements and enhancing operational efficiency.
Digitalisation of Laboratory Processes	Utilising Angle LIMS (Laboratory Information Management System) , ALS integrates all laboratory instruments that enable direct data import from the instrument to reporting and billing. This eliminates human intervention, increases data integrity and supports maintaining a turnaround time ("TAT") of 90% or higher.



3.0 Executing sustainable processes

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

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

STANDARDS



M11

Customer Satisfaction

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

Our Approach

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

Strategic Performance Management

Achieving overall organisational strategic business objectives

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

PICORP Group Strategic Performance Management



1. Brainstorming sessions

These sessions are conducted from department level up to company level



2. Presentation of Business Plan

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



3. Establishment of a Balanced Scorecard

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



4. Periodical tracking of performance achievement

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

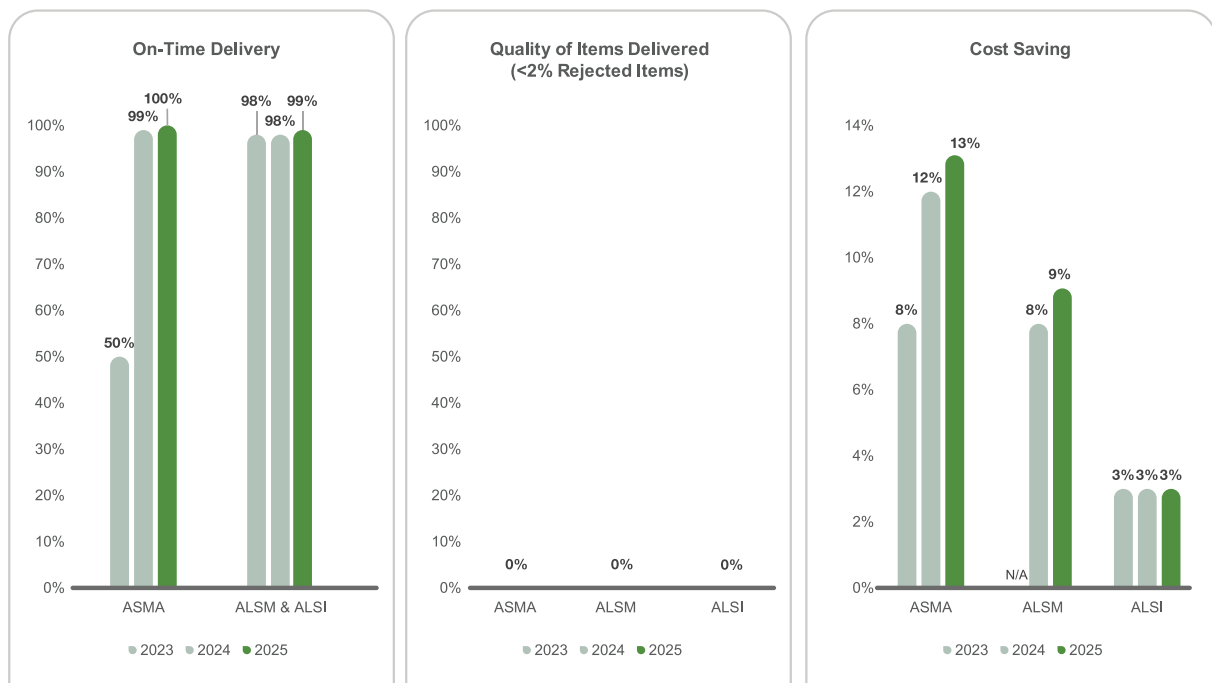
Effective Value Chain Management

Ensuring Sustainable Solutions and Efficient Deliverability

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

Control Measure

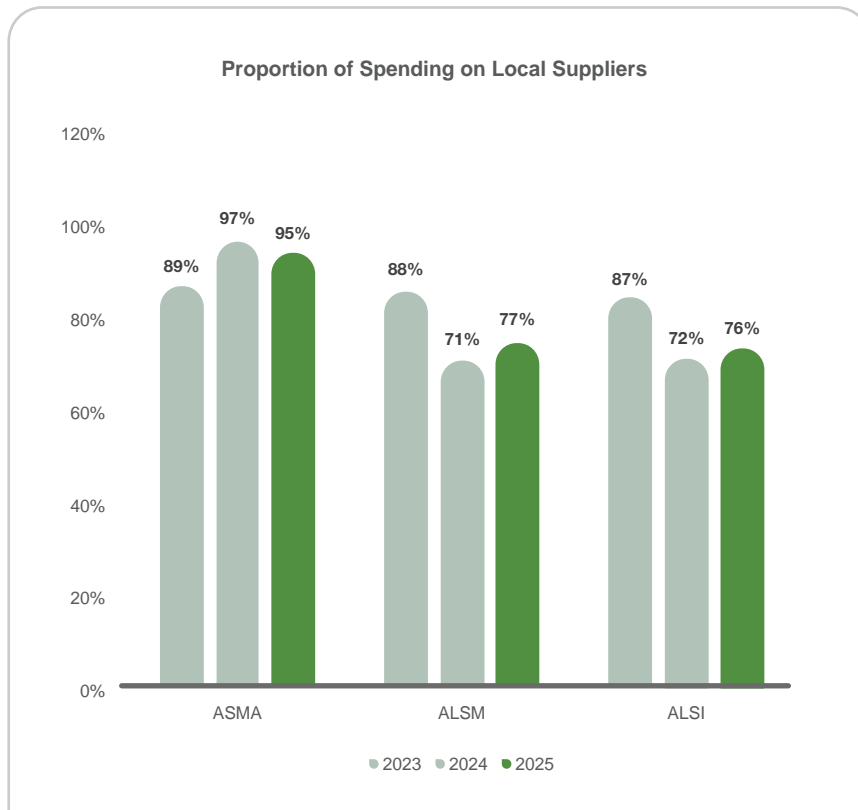
- Our VCM practices are guided by the Integrated Management System Policy ISO 14001: 2015 and Environmental Management ISO17025 (Laboratory analysis and consultancy where applicable).
- PICORP provides fair and equal opportunities to all vendors and suppliers who are interested to provide their services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



The Group’s **VCM** framework continued to support strong operational governance and supply chain reliability in 2025. Through ASMA, ALSM and ALSI, PICORP achieved **delivery-on-time performance ranging from 90% to 100%**, with **zero rejected items delivered to customers**. This performance reflects effective quality control, supplier accountability, and strict adherence to procurement standards.

From a cost efficiency and sustainability perspective, the Group realised **procurement cost savings of between 3% and 13%** through disciplined sourcing practices, including supplier negotiations, bulk purchasing, vendor rationalisation, and proactive planning aligned with project urgency. These initiatives contributed to responsible cost management, reduced operational inefficiencies, and improved resource utilisation, reinforcing the Group’s commitment to sustainable and well-governed business practices.

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



Quality Management System

Conforming to outstanding quality of service

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



Alam Sekitar Malaysia Sdn Bhd ("ASMA")

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

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

ASMA Quality Management Activities		
Activity	Date	Details of Outcomes
Integrated Management System (IMS) Policy Awareness	7 January 2025, 5 June 2025	Enhance employees' awareness and understanding of the Company's commitment to maintaining high standards in quality, environmental stewardship, safety, and health across all operations.
Quality Management System ISO 9001:2015 Internal Auditor Training	24 February 2025 - 25 February 2025	12 observers have been certified by NIOSH as internal auditors for ISO 9001:2015.

ASMA Quality Management Activities		
Activity	Date	Details of Outcomes
Internal Audit by Baker Tilly FY2025 for Human Capital Department	14 April 2025 - 22 April 2025	The Internal Audit covered the Human Capital Department, including recruitment, resignations, and training and development.
HSE Audit and Inspection	6 May 2025 & 28 May 2025	Completed for the Wetland project in Putrajaya (scope: birds) and the Bukit Payung site at Air Selangor (scope: HYDRA).
External Auditor by LRQA. First surveillance for ISO9001:2015 and ISO14001:2015. Cover for QAHSE, Project execution, Human Capital, Procurement and IT segment	28 May 2025 - 30 May 2025	No non-compliance (“NC”) and 2 Observation For Improvements (“OFI”) for ISO14001:2015.
Vendor audit with Procurement Department	28 August 2025	A joint vendor audit was conducted with the Procurement Department. The vendor demonstrated effective quality management practices and compliance with all contractual and ISO requirements. The vendor’s status remains approved.

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



**ALS Technichem (Malaysia) Sdn Bhd (“ALSM”),
ALS Technichem (PG) Sdn Bhd (“ALSPG”) and PT ALS Indonesia (“ALSI”)
(collectively, “ALS”)**

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

Analytical methods

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

Internal audits

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

Business opportunities

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

ALS Quality Management Activities		
Activity	Date	Details of Outcomes
NPRA Recognition Renewal for ALS Shah Alam.	1 February 2025	Completed and approved.
GMP+ : Renewal +EOS Audit	21 May 2025	New GMP+ Cert received with extension scope.
Re-assessment KAN	13 May 2025 - 23 May 2025	Re-accreditation for Bogor and Pekanbaru Lab.
IKM Excellence Laboratory Award Audit for ALS Kota Kinabalu, ALS Prai, ALS Johor, ALS Shah Alam	31 July 2025 - 24 August 2025	Won 2025 IKM Excellence Laboratory Award Audit for ALS Kota Kinabalu, ALS Prai, ALS Johor, ALS Shah Alam.
MOH Recognition Renewal Audit for ALS Johor Bahru, ALS Kota Kinabalu, ALS Shah Alam	3 September 2025 - 18 September 2025	13 OFIs - ALSM is expected to provide corrective action responses by Q12026.

Recognitions: Accreditation, Award & Certification (ALSM)

Outstanding achievements

2025: IKM Laboratory Excellence Award by Institute Kimia Malaysia (IKM)

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

Accreditations

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

Panel Laboratory for

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



Saudi ASMA Environmental Solutions LLC ("SAES")

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

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

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

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

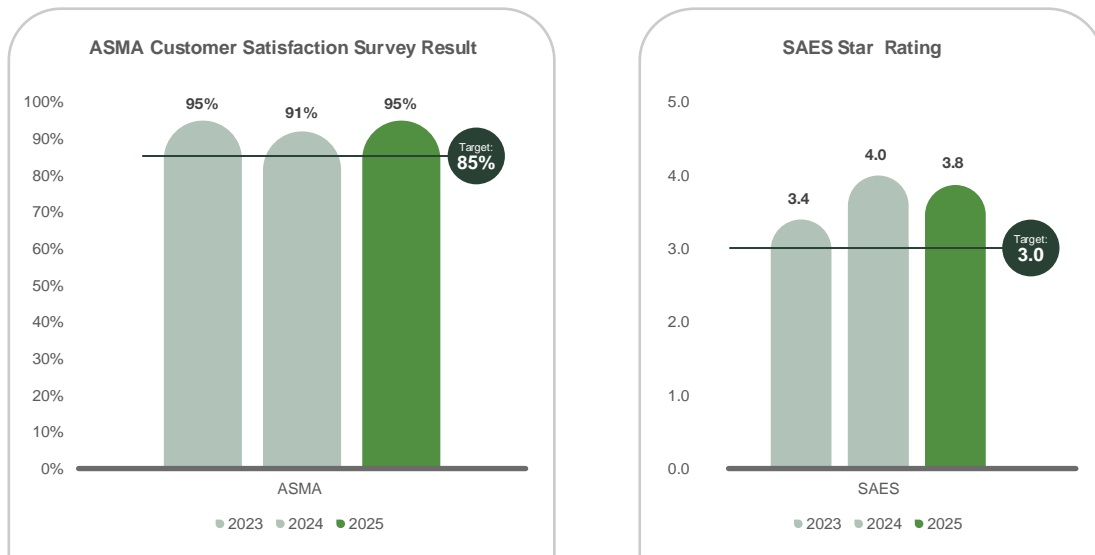
Our Approach

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

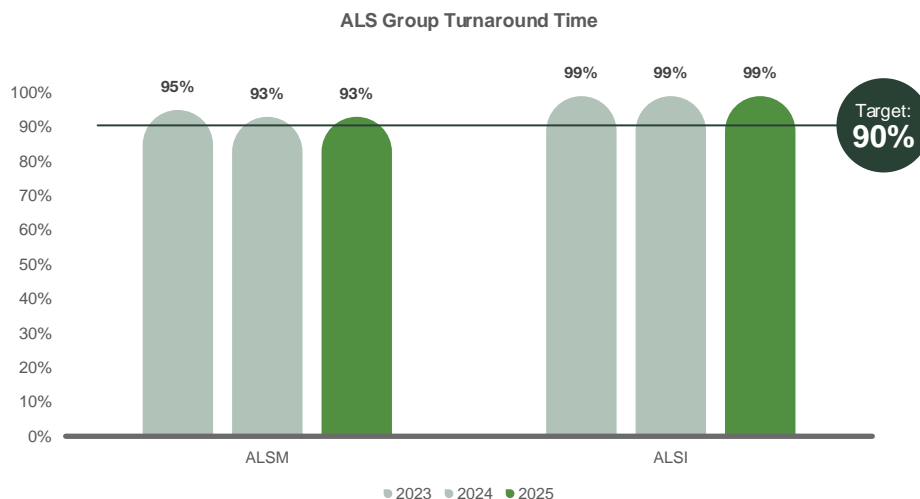
Delighting Customers

Customer Service ASMA

For the environmental monitoring, consultancy, and services segment, 2025 CSS was conducted by ASMA to gauge its performance in project delivery with the objective target of 85% in rating. The Quality Assurance department oversees this particular area and carried out a series of programmes in 2025 to meet the set KPIs. Whilst SAES gauges its performance by utilising the Star Rating with the targeted KPI of 3 stars. The results are as shown below:



For the laboratory services segment, the 2025 CSS was conducted by ALS Malaysia and ALS Indonesia ("ALS Group") to gauge its performance in Turnaround Time. ALS Group maintained their Top 3 ratings in the following key areas: quality, pricing, and client services. The results are as follows:



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

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

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

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

Our Approach

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

Managing Emissions Today for a Sustainable Tomorrow

Energy Management

The diagram illustrates three stages of energy management: **Keaner** (Efficient Use of Energy), **Leaner** (Saving Energy), and **Greener** (Sustainable / Renewable Energy). Each stage is represented by a circular icon with a plug and leaf, a lightbulb with a leaf, and three leaves respectively, all connected to a horizontal timeline.

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

Water Management Initiatives at PICORP



Water Saving Awareness

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



Daily Leak Detection & Repair

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



Waste Management Initiatives at PICORP

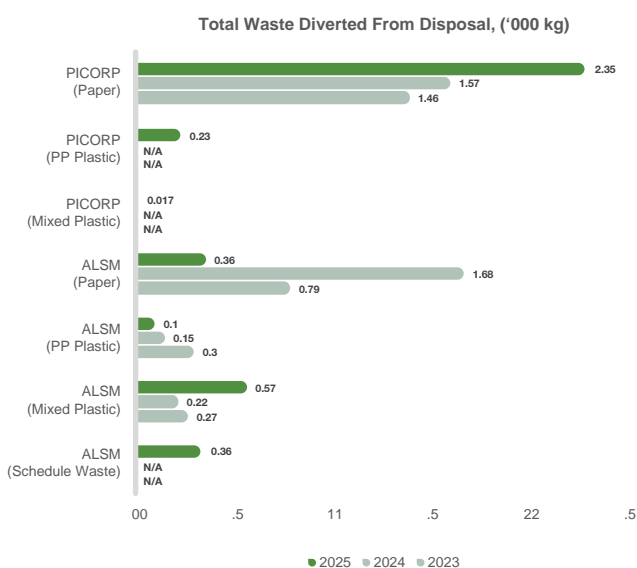
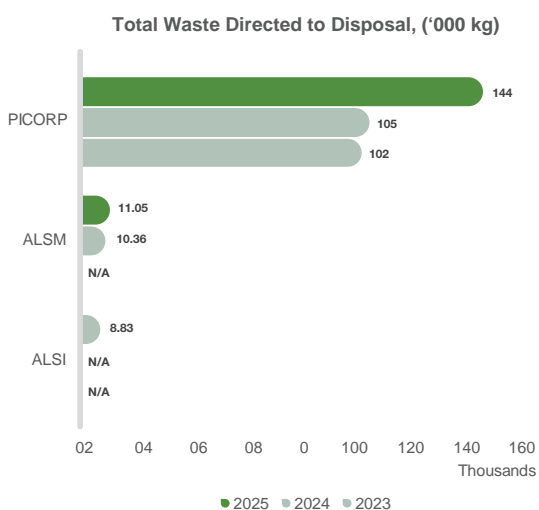
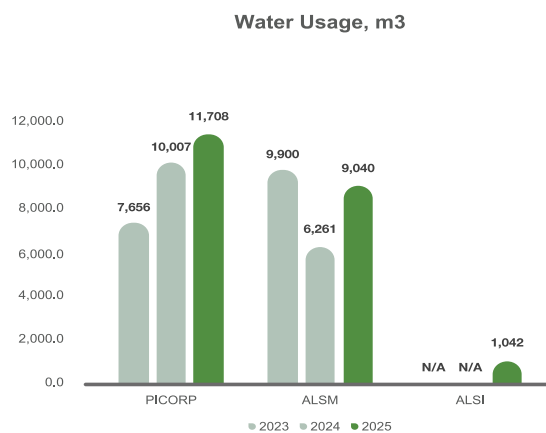
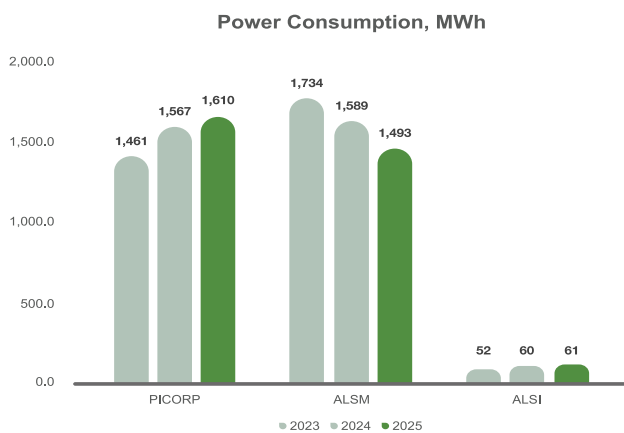


PICORP promotes sustainability by reducing paper use through digitalisation, encouraging double-sided printing when needed. We minimise single-use plastics by using reusable items like woven bags and recycling plastics properly. Glass bottles are collected and recycled via designated bins, including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

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

2025 Emissions Data (Tonnes CO₂e)

TOTAL EMISSION: tonnes of CO ₂ e	SCOPE 1	SCOPE 2	SCOPE 3 BUSINESS TRAVEL & EMPLOYEE COMMUTING ONLY	SCOPE 3 FROM WASTEWATER TREATMENT PROJECT	TOTAL
PICORP	0.24	1,256.0	129.78	N/A	1,386.02
ASMA	144.8	Included in PICORP	72.21	929.8	1,146.81
ALS	441.76	1,121.1	230.66	N/A	1,793.52
TOTAL	586.8	2,377.1	432.65	929.8	4,326.35



PICORP's power consumption and water usage increased by 3% and 17%, respectively, from FY 2024 to FY 2025, primarily due to a higher space occupancy rate at Mercu PICORP, which rose from 93% to 97%.

Conversely, ALSM made significant progress in sustainability, reducing power consumption by 6% following the installation of photovoltaic (PV) solar panels in Q4 2023, despite a 10% increase in the number of tests conducted. Water consumption at ALSM increased by 44%, reflecting higher water demand driven by the increased sample volumes.

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

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

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

RESEARCH AND DEVELOPMENT



Product Life Cycle Management

Public Health Management

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

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

Our Approach

Innovating Today for a Sustainable Future

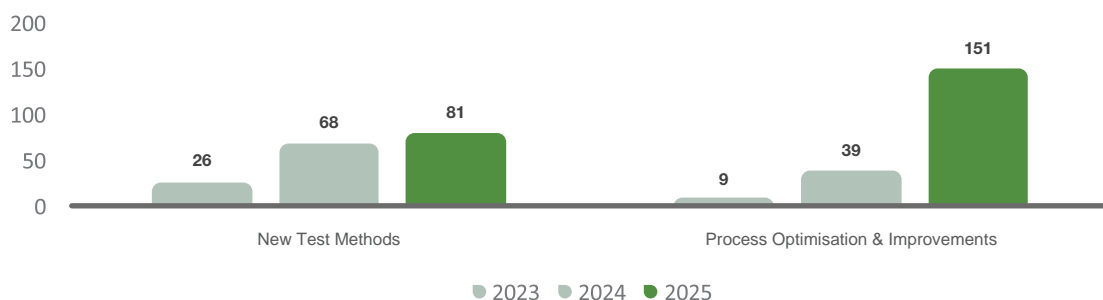
In 2025, PICORP Corporate R&D continued to drive innovation, focusing on enhancing existing solutions, expanding the capabilities of current analysers, and exploring alternatives to strengthen the Group’s competitiveness. During the year, R&D successfully launched a new water supply quality monitoring analyser, further enhancing the Group’s portfolio of reliable and sustainable environmental solutions.

In 2025, ALS focused its research on the analysis of the agrochemical, food, and microbiology segments. The new portfolio introduced that year aimed to expand specific test methods based on clients’ unique demands and broaden the scope to cover a wider range of sample matrices. Ongoing efforts were also directed towards optimising and improving existing methods to ensure the quality of their service is maintained, particularly in the food, agrochemical, environmental and biotechnology segments.

2025 Research & Development Data

Segments	New Test Methods	Process Optimisation & Improvements
Food	19	77
Pharmaceutical	0	6
Environmental	4	17
Microplastics	1	4
Biotechnology	4	16
Tribology	0	1
Agrochemical	39	21
Microbiology	14	9
Total	81	151

2023 - 2025 New Test Methods & Process Optimisations & Improvements



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

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

Our Approach

Ensuring the Health & Safety of Employees

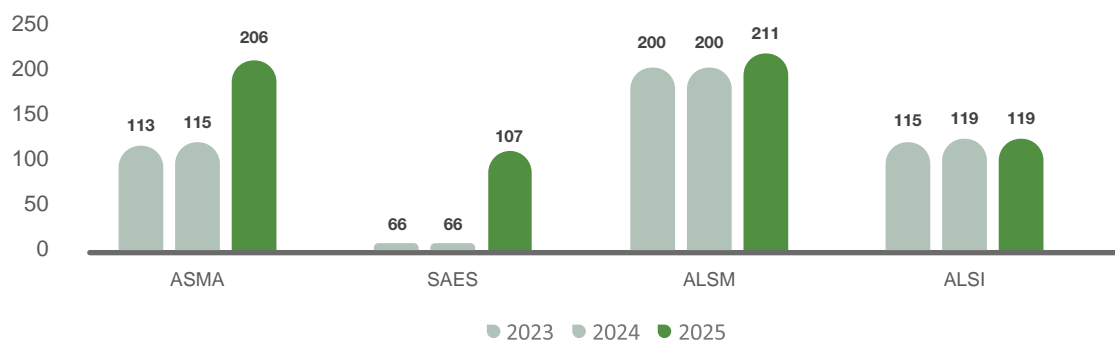
To address these risks, we have formed the Group’s Occupational Health and Safety Working Committees (“HSE”), fostering a safety-conscious environment that improves awareness, boosts morale, reduces costs, maintains a positive safety reputation, and ensures compliance with regulation.

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

Safety and Health – Collaborative Action Towards a Shared Responsibility 2025		
Training	Execution	Check For Improvement
22 Toolbox Sessions	2 HSE Inspections	14 HSE Committee Meeting
20 HSE Training Sessions	2 HSE Programs	12 HSE Performance Reporting

2023 – 2025 Safety and Health Achievements		
0 Number of work related fatalities	0 Loss Time Injuries	100% Compliance to OSH

Number of Employees Trained on HSE Standards



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

Our Approach

Sustainable Talent Management in Action

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

Talent Acquisition

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

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

Talent Development

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

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

Building on the foundation established in 2024 with the Employee Development Program ("EDP"), PICORP further advanced talent development in 2025 through the Employee Development Initiative ("EDI") championed by the Group Technical Skillset Committee. As the custodian of all EDI trainings, Group Human Capital established a standardised "MASTER EDI" folder structure for each company, ensuring effective governance, proper document control, consistent naming conventions, and potential implementation of a changelog. PICORP also supported the rollout of the Group Sales EDI.

Talent development was further strengthened through improved tracking of training hours, increased emphasis on on-the-job learning, and the adoption of the E-Latih platform, providing employees with flexible, accessible, and cost-effective learning opportunities across the Group.

Talent Retention

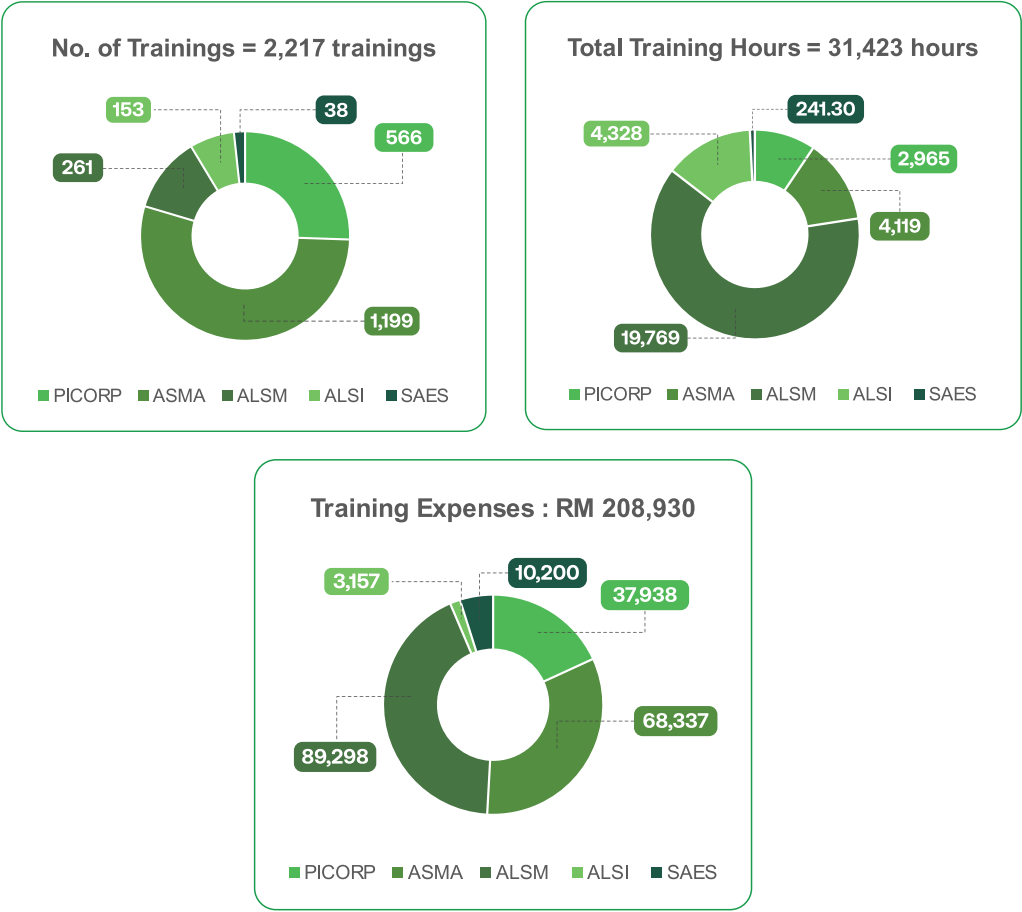
Talent retention focuses on retaining high skilled and talented employees. As a responsible organisation, we strive to create a work environment that is both attractive and sustainable for the long-term operation by executing effective; engagement activities, employee welfare plan, employee performance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

In 2025, key performance indicators ("KPIs") were aligned towards the company's strategy, with long-term focus areas on the financial, customer, internal process and learning and growth. PICORP channels newer approaches to enhance performance management which includes regular reviews of the company's and department's achievements. This was done through a regular series of management meetings. PICORP also aligned performance with rewards involving pay for performance which provides a clearer link of view to drive performance.

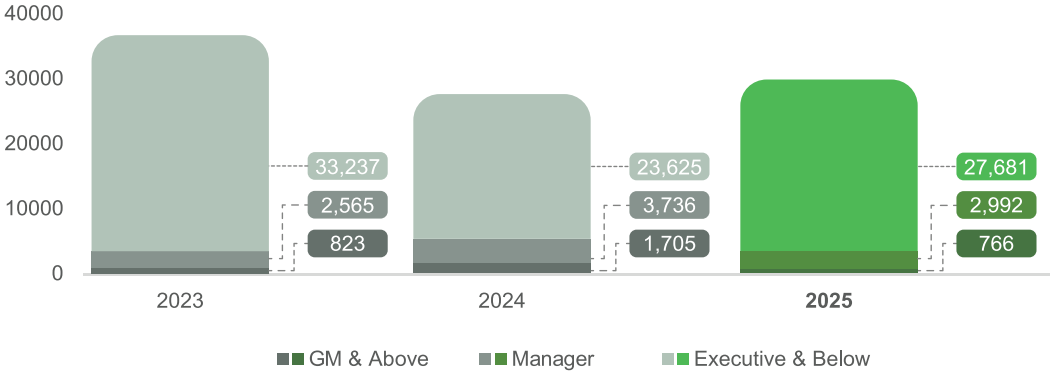
Compensation and benefits are other important aspects of Human Capital Management that act as a medium to keep the workforce motivated. Compensation and benefits are allotted to employees based on their performance and actions to bring the best out of employees at the workplace. In the year 2025, PICORP had allocated provisions for salary increment, salary adjustment, Bonus/Ex-Gratia and 13th-month salary pay-out for eligible employees to reward their continuous commitment and contribution towards the achievement of business objectives. In addition, PICORP secures employees' benefits to be on par with the market offering through the revision of employees' tangible and intangible benefits lines. This includes the provision of improved medical and insurance benefits.

Career progression denotes the growth of employees in an organisation. It is an effective means to achieve the company's future growth and success through the orderly movement of employees to the right positions they are qualified for. In 2025, PICORP boarded the upgrading and promotion initiative across the Group guided by dynamic selection criteria to reward the right talent and to accord them with a good career path. It can either be vertically, for positions of greater responsibility or horizontally, for positions encompassing a breadth of the relevant functions.

2025 Training Achievement



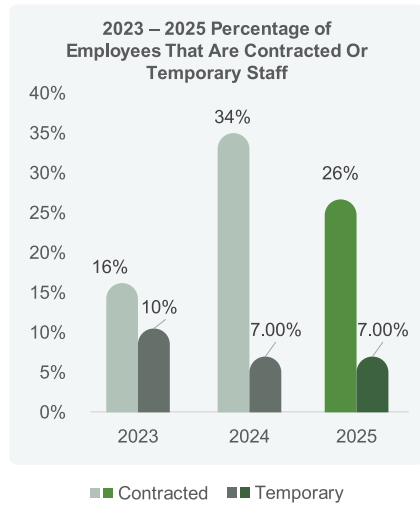
2023 – 2025 Total hours of training by employee category



2025 Employee Turnover

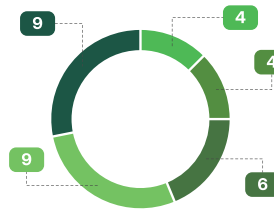
2023 – 2025 Number of Substantiated Complaints Concerning Human Rights Violation

0 Complaints

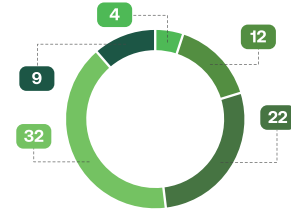


2025 Number of turnover by company

Number of Turnover (< 1 year) = 32

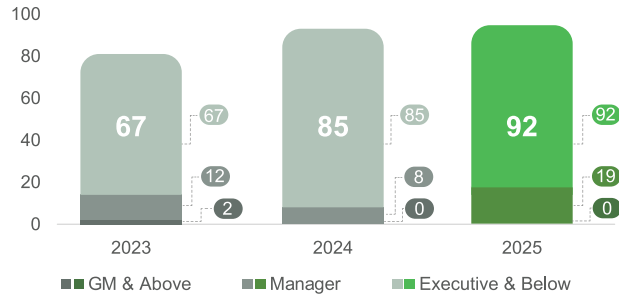


Number of Turnover (> 1 year) = 79



PICORP ASMA ALSM ALSI SAES PICORP ASMA ALSM ALSI SAES

2023 - 2025 Number of turnover by employee category



2025 Employee Satisfaction Survey

Based on the results of the 2025 Employee Satisfaction Survey (EES), there are four (4) dimensions that were identified as needing improvement. These dimensions are Compensation and Benefits, Clear Communication & Promising Direction, Confidence in Leadership and Performance Management. To address these dimensions, we have developed several plans as follows:

1. COMPETENCY DEVELOPMENT

Right skills for the right roles

TEDI	MEDI	SEDI
Technical Employee Development Initiative Focus: Sales competency requirement Supports sales effectiveness and performance	Marketing Employee Development Initiative Focus: Marketing competency requirement Supports market positioning and demand generation	Sales Employee Development Initiative Focus: Technical competency requirement Supports operational excellence and reliability

2. ROLE CLARITY

Clear responsibility and alignment

Job Description Initiative

Focus:

To ensure every employee has a clear Job Description aligned to performance expectations

Clear job descriptions **enable better execution** by ensuring the **right people focus on the right work**, with clear accountability and measurable outcomes.

3. PERFORMANCE ALIGNMENT

Consistent and fair measurement

Introducing Mid Year Appraisal

Early Alignment

Ensures goals and expectations remain relevant and aligned

Early Intervention

Identifies gaps, challenges and support needs before year-end

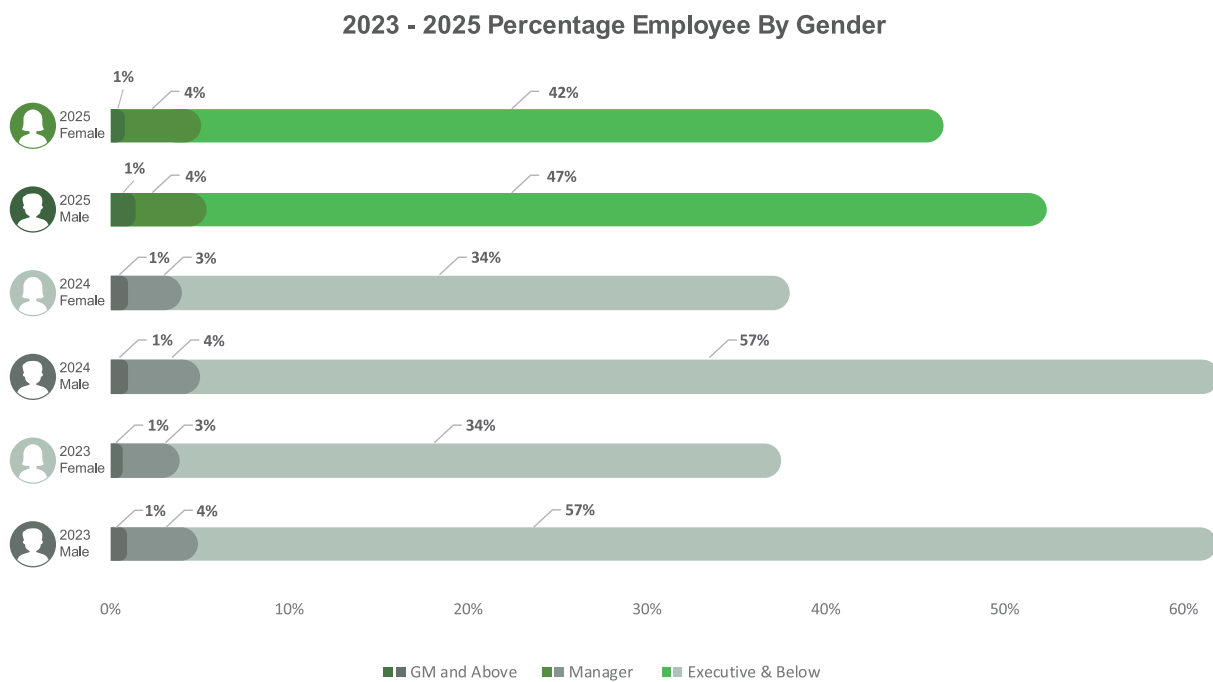
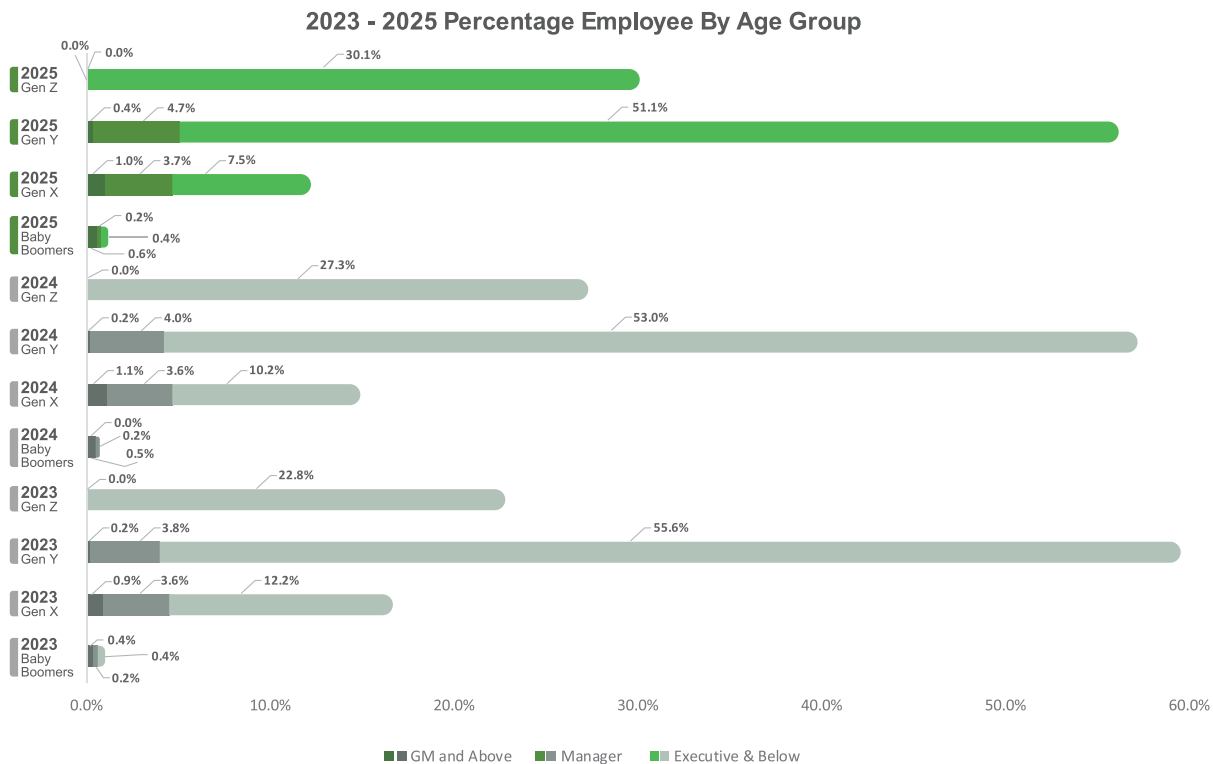
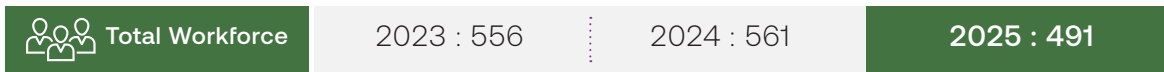
Better Year-End Outcomes

Reduces surprises during annual appraisal

Workplace Diversity And Inclusion

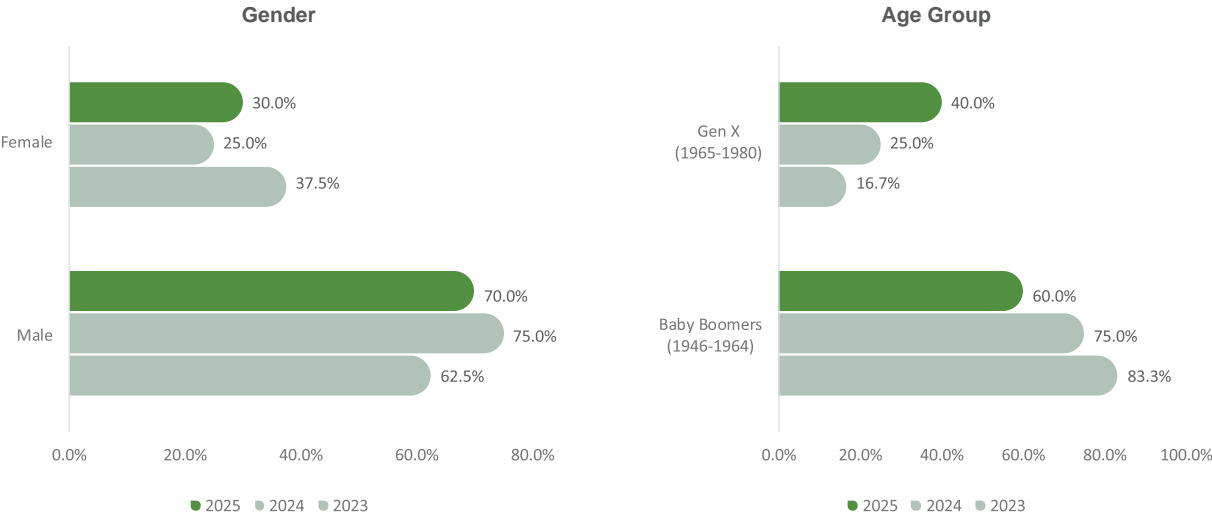
Promoting diversity and equal opportunity

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



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

2023 - 2025 Percentage of Directors by Gender and Age Group



WELFARE & CHARITY



Community Contribution & Engagement

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

Our Approach

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

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

In 2025, PICORP allocated RM 74,640 for charity through a charity foundation with 98% directed to community. These entities distribute funds to various beneficiaries, including nonprofits, elder care homes, orphanages and madrasahs.

Enhancing community livelihoods

YEAR	2023	2024	2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer.	RM 638,732	RM 524,783	RM74,640
Total number of beneficiaries of the investment in communities	5	3	1



4.0 Offering sustainable products and services

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

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

TECHNOLOGY



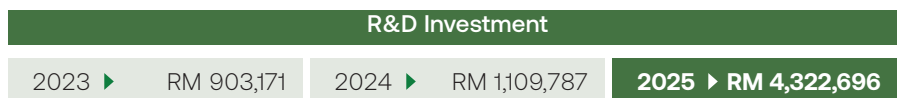
Delivery to Customer

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

Our Approach

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

In 2025, PICORP invested RM 4,322,696 into R&D in environmental segment and new equipment for lab and sampling.



ALSM has strengthened and enhanced its laboratory capabilities by replacing all laboratory equipment, adding several new sampling and laboratory equipment.

SOLUTIONS



Delivery to Customer

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

Our Approach

AI-Water Quality Monitoring Programmes

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

Accredited test methods

In order to ensure the laboratory testing services, remain relevant and provide a competitive edge in the market for business sustainability, ALS R&D team constantly develops new test methods and validates their existing test methods. Despite the development of 81 new test methods in 2025, no new accreditation was granted, as the Skim Akreditasi Makmal Malaysia (“SAMM”) extension of scope audit was conducted in the last quarter of the year.

ENVIRONMENTAL MONITORING AND EMISSION CONTROL



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

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

Our Approach

Air Quality Management

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

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

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

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

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

Water Quality Management

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

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

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

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

2025 Project: Preventive & Corrective Maintenance Services for Hybrid Distribution Water Quality Real-Time Analyser Stations in Selangor

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

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

Biodiversity Management

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

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

2025 Project: Putrajaya Lake and Wetland Biodiversity Monitoring

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

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

Description	2023	2024	2025
Bird	58	76	49
Reptiles	6	9	5
Mammals	7	9	3
Amphibia	5	4	5
Insects	710	1102	452

Environmental Laboratory

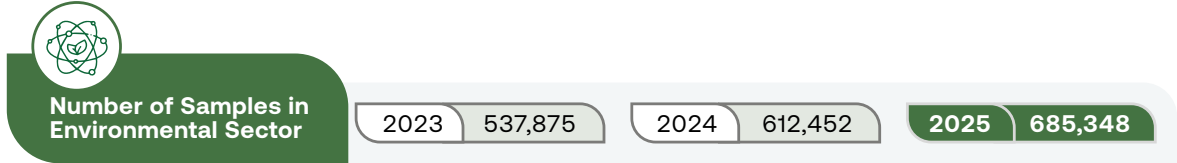
Our environmental laboratory provides full analytical testing services specialising in metals, volatile and semi-volatile organics, inorganics, nutrients and microbiological analysis in a wide range of sample matrices covering soil, surface water, wastewater, groundwater, drinking water, seawater, sediments,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

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

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

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

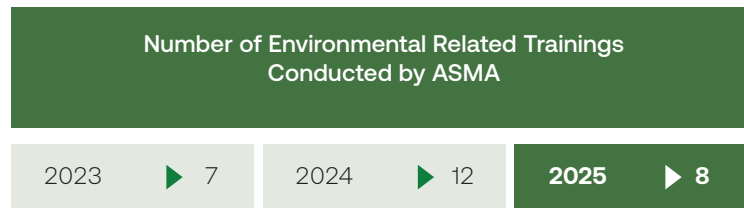
Furthermore, our emphasis on microbiological analysis underscores our commitment to public health and ecosystem resilience. By monitoring microbial communities in diverse environments, we contribute to the understanding of ecological dynamics and support initiatives aimed at biodiversity conservation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



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

Environmental Consultancy and Training

Creating a learning culture is one strategy to improve organisational performance and maintain long-term sustainable advantage. Organisational learning includes creating, retaining and transferring knowledge to benefit individuals, groups and organisations. To empower more environmental practitioners in the industry, ASMA conducted twelve environmental trainings in 2025:



WATER AND WASTEWATER TREATMENT



M5

Environmental Regulatory Compliance

M1

Clean Water Security

M2

Climate Change

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

Our Approach

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

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

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

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

In 2025, ASMA executed various wastewater treatment projects using Bi-Act SDO and other technology. The implementation of Bi-Act SDO enabled customers to reduce their carbon footprint per PE by up to 40% compared to conventional methods. This demonstrates ASMA’s commitment to sustainable solutions, helping clients achieve environmental efficiency whilst promoting cleaner and more responsible wastewater management practices.

Comparison Estimation of CO₂e Emission

	Technology	Estimation for CO ₂ e Emission
UPGRADE STP AT KULIM – 3500 PE <ul style="list-style-type: none"> Improve the STP efficiency, hence ensure meeting DOE requirement 	Extended Aeration	61.4 kgCO ₂ e/PE/yr (214,900 kgCO₂e/yr)
NEW STP JOHOR 4,000 PE <ul style="list-style-type: none"> Reduce environmental impact by reducing footprint, reducing sludge production and reducing power consumption compared to the conventional system 	Bi-Act SDO	36.8 kgCO ₂ e/PE/yr (147,200 kgCO₂e/yr)
NEW STP TAMPOI, JOHOR -1,380 PE <ul style="list-style-type: none"> Reduce environmental impact by reducing footprint, reducing sludge production and reducing power consumption compared to the conventional system 	Bi-Act SDO	38.6 kgCO ₂ e/PE/yr (53,323 kgCO₂e/yr)
UPGRADE STP TAMAN BAYU DAMAI, -12,200 PE <ul style="list-style-type: none"> Reduce environmental impact by reducing footprint, reducing sludge production and reducing power consumption compared to the conventional system 	Bi-Act SDO	34.3 kgCO ₂ e/PE/yr (418,216 kgCO₂e/yr)

Notes: From data above, it is proven that by using Bi-Act SDO, customer can reduce their carbon foot print per PE up to 40%.

MyHERO®

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

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

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

Our Approach

Integrated Pest Management

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

In 2025, SAES delivered Integrated Pest Management (IPM) services to various SELA sites in Riyadh and Jeddah. SELA, the largest event management company in Saudi Arabia, benefited from effective pest control solutions, ensuring a safe and hygienic environment for high-profile events. Additionally, SAES provided pest control and surveillance services in the 3rd extension area of Masjidil Haram, Makkah, enhancing cleanliness and safety in this sacred site visited by millions of pilgrims annually. These initiatives not only reflect SAES’s commitment to environmental sustainability but also create a significant social impact by safeguarding public health and ensuring comfort in critical and high-traffic areas.

Food Safety

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

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

Pharmaceutical & Healthcare

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

Agrochemicals

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

Number of Samples in Food, Pharmaceutical and Healthcare





5.0 Stakeholder engagement

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

INVESTORS AND SHAREHOLDERS ENGAGEMENT

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

Date	Programme	Venue	Company
25 June 2025	PICORP 33rd Annual General Meeting	Mercu PICORP	PICORP



YEAR	2023	2024	2025
Number of Investors and Shareholders Engagement	2	1	1

EMPLOYEE ENGAGEMENT

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

In 2025, employee engagements were made ranging from internal communication engagement, motivational talks, and appreciation events to healthy lifestyle activities. These engagements encompass the three (3) dimensions of an employee engagement which are cognitive, emotional, and physical, that can help increase employees' satisfaction and improve organisational performance.



Date	Programme	Venue	Company
23 January 2025	2025 Zaiyadal Group Townhall	Mercu PICORP	All companies
13 February 2025	2025 ALS Chinese New Year Celebration	Wisma ALS	ALS M
8 January 2025 12 February 2025 16 April 2025	Monthly Zumba Session	Wisma ALS, Mercu PICORP	ALS M, ASMA
20 March 2025	2025 Zaiyadal Group Pre-Eid Mubarak	SAES Office, Mercu PICORP	SAES, ASMA
7 January 2025	Understanding the ISO/IEC 172025-2017 & SAMM Requirements & Internal Auditing Training	SAES Office	SAES
20 February 2025	Saudi Foundation Day & Welcoming Ramadan	SAES Office	SAES
19 March 2025	Breakfast Ramadan	Saudi Arabia Hotel	SAES
8 - 9 September 2025	2025 Finance and Governance Conference	Shah Alam	PICORP
30 December 2025	Fire Drill Training	Mercu PICORP	PICORP

YEAR	2023	2024	2025
Number of Employee Engagement	21	12	11

ENVIRONMENTAL ENGAGEMENT

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

In 2025, environmental engagements were made ranging from environmental trainings to industry practitioners, visit to sites related to environmental activities, and participation in seminars, symposium and exhibitions organised by authorities, regulators and government agencies.



Date	Programme	Venue	Company
2-4 September 2025	Oil and Gas Asia (“OGA”) 2025	KLCC	ASMA
24 June 2024	UTHM’s Earth Month Awareness Program	Virtual	ASMA
18-20 February 2025	International Colloquium: Towards Sustainable Lake Basin Management: Strengthening Community Involvement	Putrajaya	ASMA
15 January 2025	Seminar Akta Kualiti Alam Sekeliling (Pindaan) 2024: Implikasi dan Impak Terhadap Pihak Industri	Bertam Resort Penang	ALSM
21-22 January 2025	Simposium Pengurusan Alam Sekitar : Pemerkasaan Akta Kualiti Alam Sekeliling (PINDAAN) 2025 Pemangkin Kelestarian Alam	Wyndham Acmar Klang	ALSM
3 July 2025	DOE Sabah organising Seminar on Environmental Compliance	Sabah	ALSM
5 July 2025	OSH Seminar at Johor Bahru organised by Academy of Occupational and Environmental Medicine Malaysia	Johor	ALSM

Date	Programme	Venue	Company
1 August 2025	Persidangan PADI 2025, by Malaysian Agricultural Research and Development Institute (MARDI), Sarawak	Putrajaya	ALSM
9 September 2025	Seminar on Scheduled Waste and Environmental Compliance	Melaka	ALSM
8 November 2025	CSR Program Penanaman Bakau	Hutan Simpan, Kuala Bernam	PICORP

YEAR	2023	2024	2025
Number of Environmental Engagement	18	19	10

COMMUNITY ENGAGEMENT

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

In 2025, the Group conducted community engagements that mostly consist of spiritual engagement, religious celebration, and webinars that cover on environmental topics.



Date	Programme	Venue	Company
21 May 2025	Program Permadanan Kerjaya by Kementerian Pertanian dan Keterjaminan Makanan ("KPKM")	PICC, Putrajaya	ASMA
24 April 2025	2025 Group Open House	IDCC, Shah Alam	All Companies
10 June 2025	2025 Global Qurban	ZT Warehouse	All Companies
1-3 August 2025	Hari Peladang, Penternak, dan Nelayan Kebangsaan (HPPNK)	SICC, Kota Kinabalu	ASMA

Date	Programme	Venue	Company
25 February 2025	ALS was invited by Rainbow Malaysia to give Webinar on active ingredient testing	Virtual	ALSM
18 June 2025	BASF Malaysia invited ALS Technichem (M) Sdn Bhd to provide demo and technical training at Cameron Highland	Cameron Highland	ALSM
20 June 2025	ALS was invited by UITM to provide a webinar on pest management and weeds control	Virtual	ALSM
12 September 2025	ALS supported MCPA's in MyAgri 2025 exhibition	MITEC	ALSM
11 July 2025	Malaysian Bioethics Guidelines Meeting	Virtual	ALSM
18 August 2025	Shaping your Future in Pharma, Cosmetics and Analytical Industrie	IMU, KL	ALSM
18 September 2025	Food Security Growth Fund Exhibition	Security Commission Malaysia	ALSM
17-20 September 2025	MIHAS 2025	MITEC	ASMA, ALS
27 – 30 November 2025	HalalVibe Fest 2025	Dataran Karnival Stadium Shah Alam	ASMA

YEAR	2023	2024	2025
Number of Community Engagement	7	10	13



6.0 Sustainability performance data table

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

Indicator	Measurement Unit	2023	2024	2025
Bursa (Anti Corruption)				
Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category.				
General Manager & Above	Percentage	100	100	100
Manager	Percentage	100	100	100
Executive & Below	Percentage	100	100	100
Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1 (c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	89	84	82
Bursa (Energy Management)				
Bursa C4(a) Total energy consumption	MWh	3,246.00	3,215.00	3164
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	434	440	643
Bursa (Labor practices)				
"Bursa C6(a) Total hours of training by employee category"				
General Manager & Above	Hours	822.5	1677	763
Manager	Hours	2,565	3,629	2,960
Executive & Below	Hours	33,237	22,270	26,631
Bursa C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	26.7	42	24.6
Bursa C6 (c) Total number of employee turnover by employee category				
General Manager & Above	Number	2	0	0
Manager	Number	12	8	19
Executive & Below	Number	67	85	92
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	17.56	16.24	21.52

Bursa (Diversity)

Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category

Age Group by Employee Category				
General Manager & Above Baby Boomers (1946-1964)	Percentage	0.4	0.5	0.6
General Manager & Above Gen X (1965-1980)	Percentage	0.9	1.1	1.0
General Manager & Above Gen Y / Millennials (1981-1996)	Percentage	0.2	0.2	0.4
General Manager & Above Gen Z (1997-2012)	Percentage	0	0	0
Manager Baby Boomers (1946-1964)	Percentage	0.2	0.2	0.2
Manager Gen X (1965-1980)	Percentage	3.6	3.6	3.7
Manager Gen Y / Millennials (1981-1996)	Percentage	3.8	4.0	4.7
Manager Gen Z (1997-2012)	Percentage	0	0	0
Executive & Below Baby Boomers (1946-1964)	Percentage	0.4	0	0.4
Executive & Below Gen X (1965-1980)	Percentage	12.2	10.2	7.5
Executive & Below Gen Y / Millennials (1981-1996)	Percentage	55.6	53.8	51.1
Executive & Below Gen Z (1997-2012)	Percentage	22.8	27.3	30.1
Gender Group by Employee Category				
General Manager & Above (Male)	Percentage	0.9	1	1.4
General Manager & Above (Female)	Percentage	0.7	1	0.8
Manager (Male)	Percentage	4	4	4.5
Manager (Female)	Percentage	3.2	3	4.3
Executive and Below (Male)	Percentage	57	57	47.5
Executive and Below (Female)	Percentage	33.6	34	41.5

Bursa C3(b) Percentage of directors by gender and age group

Male	Percentage	67.7	75	70
Female	Percentage	33.3	25	30
Baby Boomers (1946 - 1964)	Percentage	83.3	75	60
Gen X (1965 - 1980)	Percentage	16.7	25	40

Bursa (Community/Society)

Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	659,659	524,783	74,640
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5.00	3.00	1

Note:

- The performance data table above is generated from the standard template of Bursa's ESG reporting platform and only discloses the compulsory Listing Requirements common indicators.
- As PICORP strives to improve the inclusiveness of its disclosure, data boundaries for the above table is as follows:
 - Data is representing PICORP, ASMA, ALS Malaysia only: Indicator C9(a) for year 2023-2024, for 2025 extend to ALSI.
 - Data is representing PICORP, ASMA, ALS M, ALS I only: Indicator C4(a).
 - Data is representing ASMA, ALSM & ALSI only: Indicators C7(a) for 2025.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-Corruption	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category (General Manager & Above)	Percentage	100	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-Corruption	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category (Manager)	Percentage	100	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-Corruption	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category (Executive & Below)	Percentage	100	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-Corruption	Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	100	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-Corruption	Bursa C1 (c) Confirmed incidents of corruption and action taken	Number	0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Data Privacy & Security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Supply Chain Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	82	-	No assurance	Data is representing ASMA, ALS M& ALSI only. This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Energy Management	Bursa C4(a) Total energy consumption	MWh	3164	-	No assurance	<p>Data is representing PICORP, ASMA, ALS M, ALS I only.</p> <p>This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts.</p> <p>Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.</p>

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Health & Safety	Bursa C5(a) Number of work-related fatalities	Number	0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Health & Safety	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Health & Safety	Bursa C5(c) Number of employees trained on health and safety standards	Number	643	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labor Practices	Bursa C6(a) Total hours of training by employee category (General Manager & Above)	Hours	763	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labor Practices	Bursa C6(a) Total hours of training by employee category (Manager)	Hours	2960	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labor Practices	Bursa C6(a) Total hours of training by employee category (Executive & Below)	Hours	26631	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labor Practices	Bursa C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	24.6	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labor Practices	Bursa C6 (c) Total number of employee turnover by employee category (General Manager and above)	Number	0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labor Practices	Bursa C6 (c) Total number of employee turnover by employee category (Manager)	Number	19	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.
Labor Practices	Bursa C6 (c) Total number of employee turnover by employee category (Executive and below)	Number	92	-	No assurance	to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.
Labor Practices	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Water	Bursa C9(a) Total volume of water used	Megaliters	21.52	-	No assurance	Data is representing PICORP, ASMA, ALSM & ALSI only. This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category General Manager & Above Baby Boomers (1946-1964)	Percentage	0.6	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category General Manager & Above Gen X (1965-1980)	Percentage	1.0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category General Manager & Above Gen Y / Millennials (1981-1996)	Percentage	0.4	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category General Manager & Above Gen Z (1997-2012)	Percentage	0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Manager Baby Boomers (1946-1964)	Percentage	0.2	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Manager Gen X (1965-1980)	Percentage	3.7	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Manager Gen Y / Millennials (1981-1996)	Percentage	4.7	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Manager Gen Z (1997-2012)	Percentage	0	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Executive & Below Baby Boomers (1946-1964)	Percentage	0.4	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Executive & Below Gen X (1965-1980)	Percentage	75	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Executive & Below Gen Y / Millennials (1981-1996)	Percentage	51.1	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, for each employee category - Age Group by Employee Category Executive & Below Gen Z (1997-2012)	Percentage	30.1	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender for each employee category, General Manager & Above (Male)	Percentage	1.4	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender for each employee category, General Manager & Above (Female)	Percentage	0.8	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender for each employee category, Manager (Male)	Percentage	4.5	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender for each employee category, Manager (Female)	Percentage	4.3	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender for each employee category, Executive and Below (Male)	Percentage	475	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Percentage of employees by gender for each employee category, Executive and Below (Female)	Percentage	41.5	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(b) Percentage of directors by gender , Male	Percentage	70	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(b) Percentage of directors by gender , Female	Percentage	30	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(b) Percentage of directors by age group, Baby Boomers (1946 - 1964)	Percentage	60	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

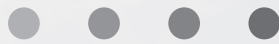
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(b) Percentage of directors by age group , Gen X (1965 - 1980)	Percentage	40	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Community / Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	74460	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Community / Society	are external to the listed issuer Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1	-	No assurance	This statement has not undergone internal review by Internal Auditors. However, it has been thoroughly examined by the Board Risk Management & Sustainability Committee, as well as the Board Audit Committee. Subsequently, it has received approval from the Board, ensuring alignment with Main Market Listing Requirements and providing an accurate representation of the Group's sustainability efforts. Moving forward, PICORP aims to enhance its assurance process by incorporating internal review from Internal Auditors in future reports.

05

Accountability



CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Board of Directors (“the Board”) of Progressive Impact Corporation Berhad (“PICORP” or “the Company”) is pleased to present this statement to provide shareholders and investors with an overview of the Corporate Governance (“CG”) practices of the Company under the leadership of the Board during the financial year ended 31 December 2025 (“FY2025”). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance (“MCCG”).

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

This overview statement is to be read together with other statements in this Annual Report, namely the Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Report as well as the CG Report 2025 (“CG Report”) which is available on the Company’s corporate website at www.picorp.com.my.

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

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

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

●● PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

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

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

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

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

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

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

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

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

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

The No Conflict of Interest Policy, which was adopted and approved by the Board, aims to provide guidance in managing situations involving conflict of interest. The declaration on the No Conflict of Interest applies to the Board and all employees within the Group. The AC will address any conflict of interest involving a Director of the Group, requiring the affected Director to disclose the nature and extent of the conflict, including any competing business interests against the Group. The Declaration of Conflict of Interest by Directors was last reviewed and presented to the Board of Directors at its meeting held on 24 February 2026.

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

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

The Directors have full and unrestricted access to information on the Group’s business and affairs and allocate ample time to effectively discharge their responsibilities and attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. Throughout the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget and financial results. The attendance of individual Directors at Board and Board Committee meetings during FY2025 are summarised below:-

BOARD MEETING	DATE
01/2025	25 February 2025
02/2025	15 April 2025
03/2025	13 May 2025
04/2025	4 August 2025
05/2025	26 August 2025
06/2025	25 November 2025
07/2025	9 December 2025



DIRECTORS	NUMBER OF MEETINGS ATTENDED			
	Board	AC	BRMSC	NRC
Chairman / Independent Non-Executive Director				
Datuk Syed Hisham bin Syed Wazir	7/7	N/A	N/A	N/A
Executive Directors				
Zaid bin Abdullah	7/7	N/A	N/A	N/A
Dato' Dr Lukman bin Ibrahim	7/7	N/A	4/4	N/A
Non-Independent Non-Executive Directors				
Zaidah binti Mohd Salleh	7/7	5/5	N/A	1/1
Dato' Hajjah Rosnani binti Ibarahim	7/7	N/A	4/4	N/A
Independent Non-Executive Directors				
Kamarul Baharin bin Albakri	7/7	5/5	N/A	1/1
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor	7/7	5/5	N/A	1/1
Dato' Seri Rosman bin Mohamed	7/7	5/5	4/4	N/A

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

2. Board Composition

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

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

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

During the FY2025, the NRC consists of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, and the composition of the NRC is as follows:-

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

All NRC members had full attendance of the NRC meetings held in FY2025.

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

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

The Board, through the NRC, conducts an annual review of its size and composition to determine if the Board has the right size and composition to support the Company's objectives and core values. Based on the assessment conducted on 19 February 2026, the Board was of the view that the Company has a well-balanced Board with good representation of female directors and members possessing diverse skill sets and core competencies. The Board was also satisfied that there was a mutual respect amongst Directors, which contributed to effective and robust decision-making process.

The Board, through the NRC, also assesses the independence of the Independent Directors annually. Based on the annual assessment carried out on 19 February 2026, the Board was satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company during deliberations at the Board and Board Committee meetings.

Some activities carried out by the NRC in discharging its duties in FY2025 are as below:

- Carried out the annual assessment on the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director and reported to the Board. The assessment considered the contribution and performance of Directors on their competency, time commitment, integrity and experience in meeting the needs of the Group. The evaluation process involved a peer and self-review assessment;
- Assessed the independence of the Independent Non-Executive Directors and reported the same to the Board;
- Reviewed and made recommendations to the Board on the re-election of Directors based on the assessments conducted;
- Assessed the character, experience, integrity and competence of the Group Chief Financial Officer and her time in discharging her roles.

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

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

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

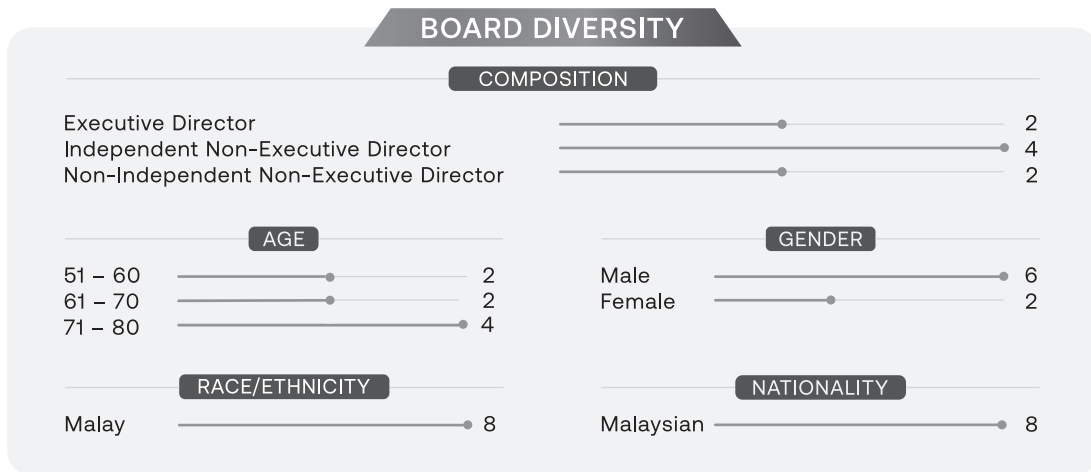
- Director's Evaluation Form (self and peer assessment);
- Board Evaluation Form;
- Board Committee's Assessment Form;
- AC Evaluation Form (self and peer assessment);
- Mix of skills and experience of the Board; and
- Declaration of Independence.

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

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

The Company is committed to positive promotion of equality, diversity, and inclusion within its workforce throughout the Group. The Company is an equal opportunity employer and does not practise discrimination of any form, regardless age, gender, race, or religion, throughout the organisation. The Board has also established the Boardroom Diversity Policy which can be viewed on the Company's corporate website. As at 31 December 2025, the Board comprises two (2) female Directors and one (1) female alternate Director.

Composition of the Board diversity during FY2025 is as follows:-



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

Name	Name of Course/ Seminar/Talk	Details
Datuk Syed Hisham bin Syed Wazir	e-Invoicing for Directors	Date: 27 August 2025 Organiser: Ernst & Young Tax Consultants Sdn Bhd
Zaid bin Abdullah	Rethinking Risk: Aligning Uncertainty with Opportunity	Date: 28 July 2025 Organiser: Institute of Corporate Directors Malaysia ("ICDM")
Zaidah binti Mohd Salleh	Harmony or Power Play? Decoding Board-Management Relationships	Date: 15 July 2025 Organiser: ICDM
	Effective Board Governance: Principles and Practices for High-Performing Boards	Date: 24 Oct 2025 Organiser: Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")
	Termination without Violating the Law	Date: 12 Nov 2025 Organiser: MAICSA
	The Chartered Secretary as a Thought Leader	Date: 20 Nov 2025 Organiser: MAICSA

Name	Name of Course/ Seminar/Talk	Details
Dato' Hjh Rosnani binti Ibarahim	Effective Board Governance: Principles and Practices for High-Performing Boards	Date: 24 Oct 2025 Organiser: MAICSA
Dato' Dr Lukman bin Ibrahim	Termination without Violating the Law	Date: 12 Nov 2025 Organiser: MAICSA
Kamarul Baharin bin Albakri	The Chartered Secretary as a Thought Leader	Date: 20 Nov 2025 Organiser: MAICSA
Prof. Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor	Building Sustainable Credibility: Assurance, Greenwashing and The Rise of Green-hushing	Date: 28 April 2025 Organiser: ICDM
	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 29-30 April 2025 Organiser: ICDM
Dato' Seri Rosman bin Mohamed	5th ASEAN Labour Inspection Committee (ALICOM) Meeting and 14th ASEAN Labour Inspection Conference (ALIC)	Date: 28-30 Oct 2025 Organiser: ASCC (KESUMA)
	AI at the Helm: How Directors Can Govern the Future	Date: 30 Oct 2025 Organiser: ICDM
Usamah bin Zaid (Alternate Director)	Mandatory Accreditation Programme Part II: Leading for Impact	Date: 29-30 April 2025 Organiser: ICDM
	The GloCoach APAC Executive Forum: AI and Leadership Transformation	Date: 25 April 2025 Organiser: GloCoach
Fatimah Zahrah binti Zaid (Alternate Director)	Case Study-Based Webinar: IFRS S1 and S2: The Essentials	Date: 3 June 2025 Organiser: MIA

3. Remuneration

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

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

Detailed disclosures on the remuneration of individual Directors for FY2025 are as below:-

Company Level

Director	Fee (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits -in-kind (RM'000)	Other Emoluments (RM'000)	TOTAL (RM'000)
Chairman / Independent Non-Executive Director							
Datuk Syed Hisham bin Syed Wazir	42	32	N/A	N/A	N/A	N/A	74
Executive Directors							
Zaid bin Abdullah	N/A	N/A	954	80	70	354	1,458
Dato' Dr Lukman bin Ibrahim*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Independent Non-Executive Directors							
Zaidah binti Mohd Salleh	36	48	N/A	N/A	N/A	N/A	84
Dato' Hajjah Rosnani binti Ibarahim	30	32	N/A	N/A	N/A	N/A	62
Independent Non-Executive Directors							
Kamarul Baharin bin Albakri	30	48	N/A	N/A	N/A	N/A	78
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor	30	52	N/A	N/A	N/A	N/A	82
Dato' Seri Rosman bin Mohamed	30	56	N/A	N/A	N/A	N/A	86

Group Level

Director	Fee (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits in-kind (RM'000)	Other Emoluments (RM'000)	TOTAL (RM'000)
Chairman / Independent Non-Executive Director							
Datuk Syed Hisham bin Syed Wazir	42	32	N/A	N/A	N/A	N/A	74
Executive Directors							
Zaid bin Abdullah	15	N/A	954	80	70	354	1,473
Dato' Dr Lukman bin Ibrahim*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Independent Non-Executive Directors							
Zaidah binti Mohd Salleh	67	48	N/A	N/A	N/A	N/A	115
Dato' Hajjah Rosnani binti Ibarahim	46	32	N/A	N/A	N/A	N/A	78
Independent Non-Executive Directors							
Kamarul Baharin bin Albakri	30	48	N/A	N/A	N/A	N/A	78
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukur	30	52	N/A	N/A	N/A	N/A	82
Dato' Seri Rosman bin Mohamed	30	56	N/A	N/A	N/A	N/A	86

* The Group Executive Director (chief executive), Dato' Dr Lukman bin Ibrahim is not remunerated by way of salary. For his role and responsibilities, the Company pays a consultancy and management fee to a private company owned by Dato' Dr Lukman bin Ibrahim. For FY2025, the Company paid RM587,736.00 to the private company. The Company regards this as a recurrent related party transaction.

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

●● PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AC

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

The AC undertakes an annual assessment of the suitability and independence of the External Auditors. On 19 February 2026, the AC carried out the annual exercise, taking into consideration some of the criteria listed below:-

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

The AC was satisfied with the assessment results and recommended the Board to table the re-appointment of Messrs Grant Thornton Malaysia PLT as the External Auditors of the Company at the forthcoming 34th AGM for shareholders' approval.

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

2. Risk Management and Internal Control Framework

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

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

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

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

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


1. Communication with Stakeholders

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


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

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


Follow Us :



Progressive Impact Corporation Berhad



www.picorp.com.my



(+603) 7845 6566

2. Conduct of General Meetings

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

PICORP is devoted to ensuring the well-being of its shareholders, employees, and Directors as a responsible corporate citizen. At the 33rd AGM held on 25 June 2025 which was conducted physically, seven out of eight Directors were present in person to engage directly with the shareholders and be accountable for their stewardship of the Company.



The 33rd AGM was held in compliance with the Companies Act 2016, the Company’s Constitution and the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.

The Chairman invited the members, corporate representatives and proxies who were present to raise questions pertaining to the Company’s Audited Financial Statements and proposed resolutions set out in the Notice of the 33rd AGM, before putting the resolution to vote by poll.

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

Corporate Governance Focus Areas in FY2025

The corporate governance focus areas of the Group in 2025 constituted the following activities:-

 Key Focus Areas for FY2025	 Action Plans
<p>Succession Planning for Board Members and Senior Management</p>	<p>The establishment and execution of a structured succession planning framework ensures business sustainability in terms of leadership pool, talent readiness, and long-term organisational sustainability across critical roles within PICORP Group.</p> <p>The framework is designed to:</p> <ul style="list-style-type: none"> •Strengthen leadership bench strength •Ensure talent readiness for critical roles •Mitigate key-person dependency risks •Support long-term business sustainability <p>Alam Sekitar Malaysia Sdn Bhd (“ASMA”) was identified as the pilot entity for implementation. The seven-step succession framework commenced in 2025 and is targeted for completion by 2027 (Proficiency Level 2), following which it will be progressively rolled out across the Group.</p> <p>This initiative reflects the Board’s proactive approach in institutionalising leadership development as a governance priority.</p>
<p>Business Continuity</p>	<p>The Board is involved in integrating business continuity management and operational resilience into the Group’s business and risk strategies, and setting the tone at the top.</p> <p>The implementation of the three-year turnaround plan — Road to Profitability — marked a significant governance milestone. The disciplined execution of this strategy delivered measurable financial improvements in FY2025, including:</p> <ul style="list-style-type: none"> •Strong growth in Profit Before Tax and Profit After Tax •A return to positive Profit After Tax and Minority Interest (“PATAMI”) after five consecutive years of losses <p>These outcomes demonstrate the effective strategic execution, financial discipline, and performance accountability.</p>



Key Focus Areas for FY2025

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



Action Plans

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

Throughout FY2025, sustainability matters were regularly deliberated at the Board Risk Management and Sustainability Committee (“BRMSC”), ensuring structured oversight of climate-related risks, stakeholder engagement, operational sustainability, and governance practices.

PICORP Corporate Research & Development (“R&D”) continues to drive innovation, focusing on enhancing existing solutions, expanding the capabilities of current analysers, and exploring alternatives to strengthen the Group’s competitiveness. In 2025, R&D successfully launched a new water supply quality monitoring analyser, further enhancing the Group’s portfolio of reliable and sustainable environmental solutions.

Boardroom Policies and Procedures

The Board continued to enhance its governance framework to reflect evolving regulatory expectations and stakeholder standards.

In February 2025, the Board adopted a Human Rights Policy, reinforcing its commitment to ethical conduct, inclusivity, and non-discrimination across the Group’s operations and stakeholder ecosystem.

The Board also maintained periodic reviews of policies and procedures to ensure continued relevance, regulatory alignment, and adherence to best practices.

Continuous professional development remains a governance priority. Through annual Board evaluations and the Board Skills Matrix assessment, Directors’ competencies and training needs are systematically reviewed to ensure the Board remains effective, diverse in expertise, and equipped to discharge its fiduciary responsibilities.

Corporate Governance Priorities 2026 and Beyond

Looking ahead, the Board will continue to elevate governance standards in line with the Group's growth ambitions and evolving stakeholder expectations.



Key Focus Areas for FY2026



Action Plans

Succession Planning for Board Members and Senior Management

The Company will advance the implementation of the succession planning framework through:

- Identification of potential candidates
- Structured gap analysis and readiness assessments
- Establishment of development program
- Execution of development plan

This structured approach aims to embed leadership continuity as a sustainable governance capability across the Group.

Business Continuity

The Board has approved a comprehensive five-year turnaround strategy (2026–2030) for the Environmental Monitoring, Consultancy & Services (“EMCS”) segment.

The plan focuses on:

- Restoring profitability in Saudi operations
- Strengthening and sustaining Malaysia operations
- Accelerating order book growth
- Enhancing operational efficiency and governance discipline
- Strengthening talent management and organisational capability

The Board will maintain active oversight of the turnaround implementation to ensure disciplined execution, risk mitigation, and measurable performance outcomes.

EESG for Sustainability

The Board will further deepen EESG integration by:

- Enhancing sustainability risk identification and mitigation
- Setting measurable and time-bound sustainability targets
- Strengthening diversity and inclusion initiatives
- Elevating transparency and stakeholder engagement practices

These initiatives are aimed at reinforcing the Group's position as a responsible and resilient corporate citizen.

Boardroom Policies and Procedures

The Board will continue to:

- Periodically review governance policies and frameworks
- Strengthen regulatory compliance and best practice alignment
- Ensure Directors remain equipped through ongoing training and development

The Board remains committed to maintaining high standards of integrity, accountability, and transparency in safeguarding stakeholders' interests.

This CG Overview Statement was approved by the Board on 14 April 2026.

AUDIT COMMITTEE REPORT

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

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

Composition of AC

The composition of the AC as at 1 April 2026 are as follows:

AC Members	Designation
Kamarul Baharin bin Albakri *	Chairman, Independent Non-Executive Director
Zaidah binti Mohd Salleh *	Member, Non-Independent Non-Executive Director
Professor Dato’ Ir. Dr. Mohd Hamdi bin Abd Shukor	Member, Independent Non-Executive Director
Dato’ Seri Rosman bin Mohamed	Member, Independent Non-Executive Director (Resigned on 24 February 2026)

* Members of Malaysian Institute of Accountants

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

Meetings

The AC held a total of five (5) meetings during the financial year ended 31 December 2025 (“FY2025”) and the details of attendance of the AC members are as follows:

AC Members	1st AC Meeting 18/02/2025	2nd AC Meeting 08/04/2025	3rd AC Meeting 13/05/2025	4th AC Meeting 12/08/2025	5th AC Meeting 25/11/2025	Total Attendance in FY2025
Kamarul Baharin bin Albakri	√	√	√	√	√	5/5
Zaidah binti Mohd Salleh	√	√	√	√	√	5/5
Professor Dato’ Ir. Dr. Mohd Hamdi bin Abd Shukor	√	√	√	√	√	5/5
Dato’ Seri Rosman bin Mohamed * (resigned on 24 February 2026)	√	√	√	√	√	5/5

* Reflects the number of meetings attended during FY2025 before resignation as AC Member.

Summary of Work of AC

The AC's activities during FY2025 included the following:-

1. Financial Reporting

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

2. External Audit

- a. Reviewed and discussed with the external auditors, the results of their audit on the financial statements for the financial year ended 31 December 2025 ("FY2025") and their memorandum of suggestions;
- b. Reviewed and discussed with the external auditors, their audit plan for FY2025, covering the areas of audit emphasis, audit timetable, scoping of the group audit, digital audit amongst others;
- c. Reviewed the suitability, objectivity and independence of the external auditors in order to recommend their re-appointment to the Board for recommendation to the shareholders for approval during the 33rd Annual General Meeting of the Company;
- d. Reviewed the audit fees, including non-audit fees, prior to recommending the same for the Board's approval; and
- e. Met with the external auditors without the presence of the Executive Directors and Management to enquire on significant findings, fraud consideration, management capabilities and/or the level of co-operation from Management.

3. Internal Audit

- a. Reviewed and approved the Internal Audit Plan for FY2025;
- b. Reviewed the adequacy of the scope, functions, competency and resources and overall performance of the internal auditors;
- c. Reviewed the internal audit reports and assessed the findings highlighted and appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported;
- d. Reviewed on the follow-up review reports issued by the internal auditors and assessed the status of corrective actions taken by Management in implementing the agreed action plans within the agreed timeline; and
- e. Met with the internal auditors without the presence of the Executive Directors and Management to enquire on areas of concern, fraud consideration and level of co-operation from Management and their capability.

4. Related Party Transactions

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

5. Other Activities

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

Internal Audit Function

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

The total cost incurred for the internal audit function in FY2025 was RM70,534.10 (FY2024: RM135,206.00).

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

- a. Presented the internal audit findings and action plans to be taken by Management to the AC;
- b. Conducted follow-ups on previous audits to ensure corrective actions had been taken and reported the same to the AC;
- c. Conducted audit review on the following activities as per the Internal Audit Plan for FY2025 which was approved by the AC on 11 November 2024:

 Company	 Key Audit Areas
Alam Sekitar Malaysia Sdn Bhd	<ul style="list-style-type: none"> • Human Resource Management and Payroll Function
ALS Technichem (M) Sdn Bhd	<ul style="list-style-type: none"> • Human Resource & Payroll • Revenue & Receivables
PT ALS Indonesia	<ul style="list-style-type: none"> • Procurement, Payment & Payable • Finance Management
Progressive Impact Corporation Berhad	<ul style="list-style-type: none"> • Human Resource Management and Payroll Function

- d. Presented the Internal Audit Plan for the financial year ending 31 December 2026 which was approved by the AC on 25 November 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

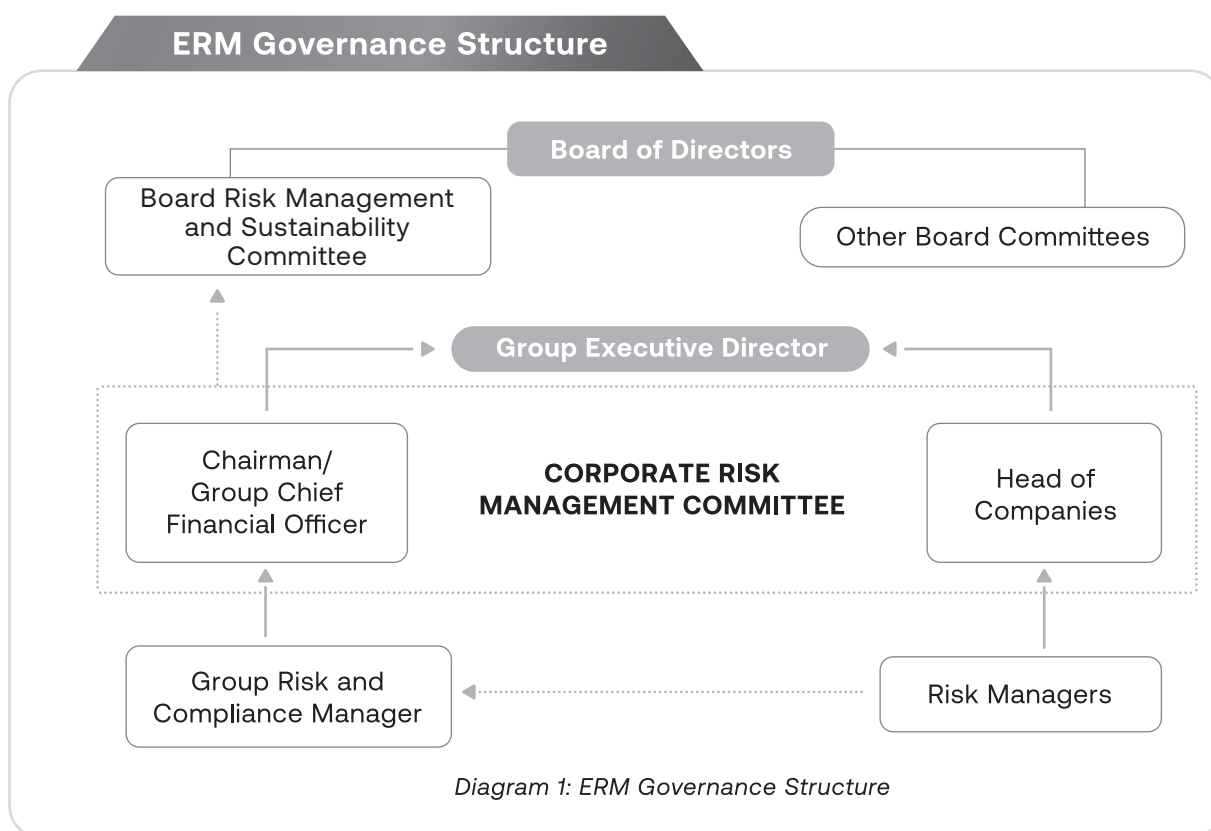
Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Boards of listed companies are required to include in their annual report, a “statement about the state of internal control of the listed issuer as a group”. Accordingly,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

INTRODUCTION

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

ENTERPRISE RISK MANAGEMENT (“ERM”) GOVERNANCE STRUCTURE

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



THE BOARD

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

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

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

BOARD RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE ("BRMSC")

Effective 24 August 2024, the Board has approved the renaming of the "Board Risk Management Committee" to the "Board Risk Management and Sustainability Committee ("BRMSC")." This change underscores the Company's commitment to addressing the increasing need for greater accountability in Economic, Environmental, Social, and Governance ("EESG") practices. The BRMSC's main responsibility is to assist the Board in discharging its overall responsibility for risk oversight within PICORP. Specifically, the BRMSC oversees the overall ERM processes, reviews and identifies key risks, and ensures that infrastructure, resources, processes and systems for ERM are in order. The BRMSC is also responsible for overseeing the Company's governance, strategy and management and reviewing the practices and initiatives relating to EESG matters ensuring they remain effective and up to date. Clearly defined and documented internal policies and procedures for certain key operational areas have been established and are subject to periodic review. The BRMSC is governed by clearly defined Terms of Reference which can be referred on PICORP's website, revised and approved by the Board on 25 August 2022.

AUDIT COMMITTEE ("AC")

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

CORPORATE RISK MANAGEMENT COMMITTEE ("CRMC")

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

GROUP RISK AND COMPLIANCE ("GRC")

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

HEAD OF COMPANY

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

RISK MANAGER

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

INTERNAL AUDIT FUNCTION

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

During the financial year ended 31 December 2025, internal audit reviews were carried out in accordance with the approved risk internal audit plan. Findings from the internal audit reviews, including the recommended corrective actions, were presented to the AC in their quarterly scheduled meetings.

In the year 2025, the Internal Audit function had audited PICORP and its subsidiaries, focusing specifically on Procurement, Payment & Payable, Finance Management, Sales, Service & Reporting, Revenue & Receivables, Customer Satisfaction, and Human Resource Management and Payroll Function. Additionally, follow-up reviews were also conducted regularly to ensure that corrective actions have been implemented in a timely manner. The yearly audit plan is approved by the AC and the audit reports are presented to the AC on a quarterly basis.

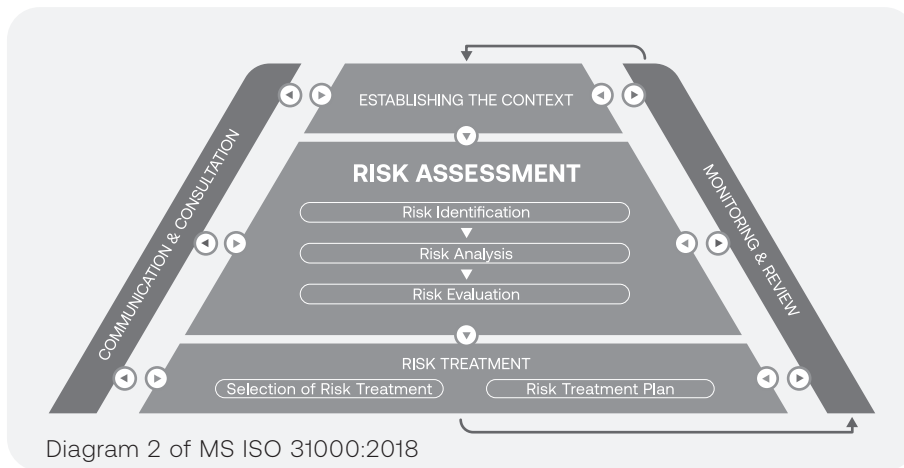
ERM FRAMEWORK

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

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

ERM PROCESS

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



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

RISK MANAGEMENT SYSTEM & PORTAL

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

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

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

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

INTEGRATION OF ESG RISKS

PICORP acknowledges the growing importance of Environmental, Social, and Governance ("ESG") considerations in driving long-term sustainability. While ESG risk is not currently designated as a standalone principal risk, relevant ESG factors are embedded within existing risk categories such as operational, regulatory, health and safety, and reputational risks through the Group's ERM framework.

ESG-related risks are identified and assessed as part of the Group's risk assessment cycle, including through regulatory reviews, stakeholder engagements and operational monitoring. Mitigation measures, such as environmental compliance controls, safety protocols and regulatory monitoring processes, are integrated into the Group's overall internal control system.

Oversight of ESG-related risks is provided by the BRMSC, which reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including processes relating to ESG risks.

Further details on the Group's sustainability initiatives and ESG practices are set out in the Sustainability Statement of this Annual Report.

INTERNAL CONTROLS

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



INTERNAL CONTROL SYSTEM



DESCRIPTION

Organisational Structure & Authorisation Procedures

PICORP maintains a formal organisational structure that includes clear delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures within the internal control system of PICORP's various business units.

Annual Business Plan

PICORP business planning start with the brainstorming sessions where the sessions are conducted at departmental, company and group function levels to ensure a robust and solid business planning. Then, Business Plan is prepared and presented to Group Management first before it is presented to the Board of Directors for approval. FY2025 marked the completion of the Group's 3-year turnaround plan, Road to Profitability, which has strengthened its operational and financial position and enhanced overall resilience. The Group will embark on a new 5-year strategic plan commencing in 2026, focusing on sustaining profitability, improving operational efficiency and delivering long-term value. Upon approval of the Business Plan by the Board, the Balanced Scorecards ("BSC") for each company and function will be reviewed and approved accordingly.

Balanced Score Card ("BSC")

PICORP has implemented BSC as PICORP strategic management system since 2018. BSC is a tool to translating strategic business objectives to action plans. It helps PICORP to align its management process and focuses the entire organisation on implementing long term strategy. BSC also acts as a communication tool where the concept of Strategy Map enables strategic business objectives and measures to be communicated across the entire organisation, by cascading KPIs and targets to departmental and individual levels. Besides that, BSC is used to monitor and track organisation performance on monthly basis. The organisation is required to provide a recovery plan for any non-achievement so that the performance gap can be closed out or reduced.

Group Policies and Procedures

Documented policies and procedures are in place, and regularly reviewed and updated to ensure that it maintains its effectiveness and continues to support PICORP's business activities as PICORP continues to grow. PICORP has established PICORP Group Limit of Authority to further improve the state of governance in PICORP.

Included in the Group Policy is the Whistleblowing Policy and Guidelines which was developed to enable any individuals to raise concerns regarding PICORP. The policy was developed to achieve two (2) primary objectives as follows:-

- to provide a safe and acceptable avenue for staff or any other stakeholders to raise concerns so that it can be addressed in an independent and unbiased manner; and
- to provide an internal mechanism for the organisation to be notified about concerns at the workplace and further if required, take any action deemed appropriate.

In addition, PICORP has in place, a comprehensive Human Resource Manual which consists of policy, procedures and forms with the aims to define policies and procedures that support basic management philosophies, outline company rules and requirements, clarify the Company's expectations of its employees, and describe lines of authority and levels of responsibility.



INTERNAL CONTROL SYSTEM



DESCRIPTION

Group Policies and Procedures (continued)

The No Gift Policy and the Anti-Bribery and Corruption Policy (“ABC Policy”) were approved by the Board and introduced to further strengthen the corporate governance policies and practices in PICORP. PICORP embraces a Zero Tolerance Policy against all forms of bribery and corruption. PICORP’s No Gift Policy further elaborates upon those principles, providing guidance to employees concerning how to deal with situations relating to the receiving and/or providing gifts that may arise in the course of business.

The ABC Policy has been developed as part of the PICORP’s Anti-Bribery Programme which is pivotal in ensuring its corporate defence against Section 17A of the Malaysian Anti-Corruption Act 2009. Having a clear and unambiguous policy statement on PICORP’s position regarding bribery and corruption forms is the cornerstone of an effective integrity management system.

Monitoring and Review

Scheduled operational and management meetings are held to discuss and review the business plans, budgets, financial and operational performance of PICORP. Monthly and quarterly management accounts containing key financial results, operational performances and comparison of actual performance against budgets are presented to the Management team for monitoring and review. The process entails further analysis into the root causes for any shortfall against target which then facilitates the management of companies in coming up with recovery measures to close the gaps. The quarterly financial statements are presented to the Board for their review and approval.

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

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

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The Statement has been reviewed by the External Auditors for the inclusion in the annual report of the PICORP Group for the financial year ended 31 December 2025. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of the internal controls.

CONCLUSION BY THE BOARD OF DIRECTORS

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

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

This Statement is made in accordance with the resolution of the Board dated 14 April 2026.

DIRECTORS' RESPONSIBILITY STATEMENT IN PREPARING THE AUDITED FINANCIAL STATEMENTS



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

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

In preparing the financial statements, the Directors have:-



**adopted appropriate accounting policies and applied them consistently;
made judgments and estimates that are reasonable and prudent; and
prepared the financial statements on a going concern basis.**

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

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

This statement was approved by the Board of Directors on 14 April 2026.

ADDITIONAL COMPLIANCE INFORMATION



1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2025.

2. Options, Warrant or Convertible Securities

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

3. Recurrent Related Party Transactions

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

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
PICORP Group	Zaiyadal Sdn Bhd ("ZSB")	Provision of corporate services and support services by PICORP Group to ZSB	790,020	ZSB is a company in which Zaid bin Abdullah ("Zaid") and Zaidah binti Mohd Salleh ("Zaidah"), have 100% indirect interest. Usamah bin Zaid ("Usamah") and Fatimah Zahrah binti Zaid ("Fatimah Zahrah") are also deemed interested by virtue of their family relationship to Zaid and Zaidah.
PICORP Group	ZSB Group	Rental of 57,845 sq. ft. of office space in Mercu PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor to ZSB Group Provision of environmental services, deployment, project management and laboratory services including consultation, supply of manpower, equipment, site-installation, site acceptance	1,302,916 2,116,789	ZSB is a company in which Zaid and Zaidah have 100% indirect interest. Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
		<p>test and commissioning services by PICORP Group to ZSB Group</p> <p>Provision of sales agency services for the integrated digital halal ecosystem and other related services by PICORP Group to ZSB Group</p>	-	
PICORP Group	Progressive Impact Technology Sdn Bhd ("PITECH")	Reselling of predictive emission monitoring system by PITECH as a non-exclusive distributor for PICORP Group	-	PITECH is a company in which Zaid and Zaidah are directors with indirect interest of 72% held through ZSB and Johar bin Yusof ("Johar") is a director with shareholding of 10%.
	PITECH	Provision of engineering services by PITECH to PICORP Group	-	Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.
	PITECH	Provision of environment consulting services by PICORP Group to PITECH	-	
	PITECH	Provision of corporate services and support services by PICORP Group to PITECH	1,259,115	
PICORP Group	Progressive Impact Technology (B) Sdn Bhd ("PITECH (B)")	Provision of environmental services including consultation, supply of manpower, equipment, site-installation, site acceptance	-	PITECH (B) is a company in which Zaid and Zaidah have direct and indirect interests of 15.1% and Johar has indirect interest of 1.75% held through PITECH.

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
	PITECH (B)	<p>test and commissioning services by PICORP Group to PITECH (B)</p> <p>Provision of sales and marketing, administrative and other support services in Brunei by PITECH (B) to PICORP Group</p>	-	Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.
PICORP Group	Foxboro (M) Sdn Bhd ("Foxboro")	Provision of engineering services by Foxboro to PICORP Group	-	Foxboro is a company in which Zaid and Zaidah are directors with indirect interest of 37% and Johar is a director with indirect interest of 5% held through PITECH.
	Foxboro	Provision of corporate services and support services by PICORP Group to Foxboro	247,500	Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.
PICORP Group	Untung Aquaculture Sdn Bhd ("Untung Aqua")	Rental of 22.5 acres of leasehold land located at Lot No. PT 7605, Mukim of Lumut, Manjung, Perak to Untung AquaIntelligent Aqua	22,800	<p>Untung Aqua is a company in which Zaid and Zaidah have 100% direct and indirect interests through ZSB.</p> <p>Fatimah Zahrah and Usamah are deemed interested by virtue of their family relationship to Zaid and Zaidah.</p>
PICORP Group	Progressive Impact Corrosion Sdn Bhd ("PICorr")	Provision of corrosion solutions including consultation, supply of manpower, equipment, site-installation, site acceptance test and commissioning services by PICorr to PICORP Group	-	<p>PICorr is a company in which Zaid and Zaidah are directors with indirect interest of 72% and Johar is a director with indirect interest of 10% held through PITECH.</p> <p>Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.</p>

Company Involved	Transacting Parties	Categories of Recurrent Transactions	Actual Value Transacted During the Financial Year (RM)	Interested Directors / Major Shareholders and Persons Connected to Them
PICORP Group	Intelligent Aqua Sdn Bhd (“Intelligent Aqua”)	Reselling of water treatment technology by PICORP Group as a non-exclusive distributor and provision of project management services by PICORP Group to Intelligent Aqua	1,266,958	Intelligent Aqua is a company in which Zaid and Zaidah are directors with indirect interest of 60% and Johar is a director with indirect interest of 17% held through PITECH and Intelligent Water Group Sdn Bhd. Usamah and Fatimah Zahrah are also deemed interested by virtue of their family relationship to Zaid and Zaidah.
	Intelligent Aqua	Supply of water treatment technology by Intelligent Aqua to PICORP Group	113,809	

4. Material Contracts

There were no material contracts entered into by the Company or its subsidiaries involving Directors’ and major shareholders’ interest during the financial year during ended 31 December 2025.

5. Audit and Non-Audit Fees

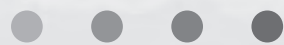
The fees paid/payable to the external auditor, Grant Thornton Malaysia PLT, for the financial year ended 31 December 2025 are as follows:-

	Group (RM)	Company (RM)
Audit	343,000	95,000
Non-Audit	10,000	10,000
Total	353,000	105,000

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



Financial Statements



DIRECTORS' REPORT



The directors have the pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

IMMEDIATE HOLDING COMPANY

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

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) net of tax	11,202	(22,737)
Profit/(loss) attributable to:		
Owners of the Company	1,693	(22,737)
Non-controlling interests	9,509	-
	11,202	(22,737)

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

There is no dividends paid or declared by the Company since 31 December 2024.

The Board of Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2025.

●● DIRECTORS

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

Zaid bin Abdullah**

Zaidah binti Mohd Salleh**

Dato' Hajjah Rosnani binti Ibarahim**

Dato' Dr. Lukman bin Ibrahim**

Usamah bin Zaid**

(Alternate director to Zaid bin Abdullah)

Fatimah Zahrah binti Zaid

(Alternate director to Zaidah binti Mohd Salleh)

Kamarul Baharin bin Albakri

Datuk Syed Hisham bin Syed Wazir

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

Dato' Seri Rosman bin Mohamed

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

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

Nadzrah binti Hashim

Matthew Graham Masters

Timothy James Kilmister

Chin Teen Teen

Herizal

Johar bin Yusof

Abdul Wahab bin Nasser Al - Akeel

Mansoor Abdul Wahab bin Nasser Al - Akeel

Salman Abdul Wahab bin Nasser Al - Akeel

Dato' Prof Mohd Omar bin Ab Kadir

Abdullah bin Mohd Omar

Zainab binti Zaid

Monica Kuen Chi Leong

DIRECTORS' REPORT (CONT'D.)

●● DIRECTORS' BENEFITS

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

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

The directors' remunerations and fees are as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Executive	2,073	2,046
Non Executive	513	466
	<hr/>	<hr/>
	2,586	2,512

●● INDEMNITIES TO DIRECTORS OR OFFICERS

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

●● DIRECTORS' INTERESTS

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

	1.1.2025	Number of ordinary shares		31.12.2025
		Acquired	Sold	
The Company				
Direct interest:				
Zaid bin Abdullah*	50,632,100	–	–	50,632,100
Zaidah binti Mohd Salleh*	8,769,400	–	–	8,769,400
Datuk Syed Hisham bin Syed Wazir	–	100,000	(100,000)	–
Usamah bin Zaid **	112,000	–	–	112,000
Fatimah Zahrah binti Zaid **	110,300	–	–	110,300

●● DIRECTORS' INTERESTS (CONT'D.)

	1.1.2025	Number of ordinary shares		31.12.2025
		Acquired	Sold	
Deemed and indirect interest:				
Zaid bin Abdullah* and Zaidah binti Mohd Salleh*	262,649,336	–	(5,000,000)	257,649,336
Dato' Dr Lukman bin Ibrahim	776,000	1,724,000	–	2,500,000
Subsidiary				
- ALS Technichem (M) Sdn. Bhd.				
Direct:				
Zaid bin Abdullah*	10,000	–	–	10,000

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

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

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

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

●● TREASURY SHARES

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

As at 31 December 2025, the Company held as treasury shares a total of 2,628,900 issued ordinary shares. Such treasury shares are held at a carrying amount of RM363,789 and further relevant details are disclosed in Note 25 to the financial statements. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

●● OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit loss and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for expected credit loss; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT (CONT'D.)

•• OTHER STATUTORY INFORMATION (CONT'D.)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the expected credit losses in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

•• AUDITORS

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

The amount of audit and other fees paid to or payable to the auditors and its member firms by the Group and the Company for the financial year ended 31 December 2025 are as follows:

	Group RM	Company RM
Grant Thornton Malaysia PLT	353,000	105,000
Member firm of Grant Thornton International Ltd.	88,800	–
Other auditors	44,300	–
	<hr/> 486,100	<hr/> 105,000

To the extent permitted by law, the Company has agreed to indemnify its auditors, Grant Thornton Malaysia PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for unspecified amount). No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 December 2025.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 April 2026.

Dato' Dr. Lukman bin Ibrahim

Datuk Syed Hisham bin Syed Wazir

STATEMENT BY DIRECTORS

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



We, Dato' Dr. Lukman bin Ibrahim and Datuk Syed Hisham bin Syed Wazir, being two of the directors of Progressive Impact Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 146 to 202 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 April 2026.

Dato' Dr. Lukman bin Ibrahim

Datuk Syed Hisham bin Syed Wazir

STATUTORY DECLARATION

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



I, Hamsiah binti Khalid, being the officer primarily responsible for the financial management of Progressive Impact Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 146 to 202 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Hamsiah binti Khalid
at Kuala Lumpur on 14 April 2026.

Hamsiah binti Khalid
MIA Membership No: 13604

Before me,

INDEPENDENT AUDITORS' REPORT

To the members of Progressive Impact Corporation Berhad



●● REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Progressive Impact Corporation Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 146 to 202.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D.)

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

Key audit matters (Cont'd.)

Group

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

Within the environmental monitoring, consultancy and services segment, the Group recognised revenue and cost amounting RM7.2 million and RM5.3 million respectively, which were computed based on stage of completion method. Stage of completion is determined by using the input method, i.e. the proportion of environmental construction project cost incurred for work performed to date, to the budgeted total environmental construction project cost.

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

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

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

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

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

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

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

Key audit matters (Cont'd.)

Group (Cont'd.)

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

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

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

Company

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

Investment in subsidiaries and non-trade amount due from subsidiaries were RM23.78 million and RM1.67 million respectively as at 31 December 2025. Management performed impairment assessment on these carrying amount as there were indicators of impairment. Based on management's assessment, impairment charges on the investment in subsidiaries and amount due from subsidiaries of RM23.89 million and RM2.3 million respectively were recorded during the year.

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D.)

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

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

•• REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

•• OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Kuala Lumpur, Malaysia
14 April 2026

LIM SOO SIM
(NO. 03335/11/2027 J)
CHARTERED ACCOUNTANT

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025



	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	109,894	102,013	10,439	10,359
Cost of sales	5	(32,753)	(41,054)	(1,513)	(1,521)
Other income	6	1,795	1,970	1,753	2,295
Staff costs	7	(28,318)	(29,219)	(3,087)	(3,554)
Depreciation and amortisation (Impairment)/reversal of impairment of receivables		(6,914) (531)	(6,545) 198	(1,057) (2,344)	(1,063) (4,343)
Other operating expenses		(15,902)	(12,381)	(25,339)	(7,237)
Profit/(loss) from operations		27,271	14,982	(21,148)	(5,064)
Finance costs	9	(5,774)	(6,008)	(2,238)	(2,331)
Profit/(loss) before tax	10	21,497	8,974	(23,386)	(7,395)
Taxation	11	(10,295)	(5,265)	649	–
Profit/(loss) net of tax		11,202	3,709	(22,737)	(7,395)
<i>Item that are or may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation		321	54	–	–
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Actuarial gain on retirement benefit		14	120	–	–
Other comprehensive income for the year, net of tax		335	174	–	–
Total comprehensive income/(loss) for the year		11,537	3,883	(22,737)	(7,395)

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

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(loss) attributable to:					
Owners of the Company		1,693	(4,022)	(22,737)	(7,395)
Non-controlling interests		9,509	7,731	–	–
		11,202	3,709	(22,737)	(7,395)
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		2,847	(3,283)	(22,737)	(7,395)
Non-controlling interests		8,690	7,166	–	–
		11,537	3,883	(22,737)	(7,395)
Earnings per share (sen)					
- Attributable to owners of the Company:					
Basic and diluted	12	0.26	(0.61)		

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025



	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	44,832	37,471	983	1,075
Investment properties	15	33,812	34,482	37,806	38,476
Investment in subsidiaries	16	–	–	23,777	23,777
Goodwill on consolidation	17	6,952	6,952	–	–
Deferred tax assets	27	3,517	5,197	–	–
Other receivables	18	12	–	–	21,894
		89,125	84,102	62,566	85,222
Current assets					
Inventories		107	35	–	–
Trade and other receivables	18	43,172	43,363	8,513	8,028
Contract assets	19	2,124	1,506	–	–
Contract costs	19	3,051	1,060	–	–
Tax recoverable		222	771	–	–
Other current financial assets	20	3,998	4,895	14	13
Cash and bank balances	21	41,852	44,644	8,421	8,399
		94,526	96,274	16,948	16,440
Total assets		183,651	180,376	79,514	101,662

STATEMENTS OF FINANCIAL POSITION (CONT'D.)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity and liabilities					
Non-current liabilities					
Retirement benefit obligation	24	1,123	1,881	–	–
Deferred tax liabilities	27	2,685	1,934	–	–
Lease obligations	14	70	270	–	87
Borrowings	23	23	143	–	–
Other payables	22	2,247	–	2,137	–
		6,148	4,228	2,137	87
Current liabilities					
Trade and other payables	22	26,949	31,871	13,506	15,364
Contract liabilities	19	126	279	–	–
Lease obligations	14	437	354	94	88
Borrowings	23	61,070	62,596	29,278	28,887
Retirement benefit obligation	24	455	–	–	–
Income tax payable		3,500	2,456	–	–
		92,537	97,556	42,878	44,339
Total liabilities		98,685	101,784	45,015	44,426
Equity attributable to Owners of the Company					
Share capital	25	65,970	65,970	65,970	65,970
Treasury shares	25	(364)	(364)	(364)	(364)
Other reserves	26	(1,147)	(2,301)	–	–
Accumulated losses		(17,169)	(18,862)	(31,107)	(8,370)
		47,290	44,443	34,499	57,236
Non-controlling interests	16	37,676	34,149	–	–
Total equity		84,966	78,592	34,499	57,236
Total equity and liabilities		183,651	180,376	79,514	101,662

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Group	Note	Attributable to owners of the Company					Total equity RM'000	
		Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		Non-controlling interest RM'000
At 1 January 2025		65,970	(364)	(2,301)	(18,862)	44,443	34,149	78,592
Profit for the financial year		-	-	-	1,693	1,693	9,509	11,202
Other comprehensive income/(loss)		-	-	1,154	-	1,154	(819)	335
Total comprehensive income		-	-	1,154	1,693	2,847	8,690	11,537
Transactions with owners								
Dividends paid to non-controlling interest	16	-	-	-	-	-	(5,163)	(5,163)
At 31 December 2025		65,970	(364)	(1,147)	(17,169)	47,290	37,676	84,966
At 1 January 2024		65,970	(364)	(3,040)	(14,840)	47,726	32,443	80,169
(Loss)/profit for the financial year		-	-	-	(4,022)	(4,022)	7,731	3,709
Other comprehensive income/(loss)		-	-	739	-	739	(565)	174
Total comprehensive income/(loss)		-	-	739	(4,022)	(3,283)	7,166	3,883
Transactions with owners								
Dividends paid to non-controlling interest	16	-	-	-	-	-	(5,460)	(5,460)
At 31 December 2024		65,970	(364)	(2,301)	(18,862)	44,443	34,149	78,592

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025



Company	Note	Non ← Distributable →		Accumulated losses RM'000	Total equity RM'000
		Share capital RM'000	Treasury shares RM'000		
At 1 January 2025		65,970	(364)	(8,370)	57,236
Total comprehensive loss		–	–	(22,737)	(22,737)
At 31 December 2025		65,970	(364)	(31,107)	34,499
At 1 January 2024		65,970	(364)	(975)	64,631
Total comprehensive loss		–	–	(7,395)	(7,395)
At 31 December 2024		65,970	(364)	(8,370)	57,236

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

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2025



	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Profit/(loss) before tax	21,497	8,974	(23,386)	(7,395)
Adjustments for:				
Depreciation of property, plant and equipment	6,199	5,830	342	348
Amortisation of investment properties	715	715	715	715
Provision for retirement benefit obligations	391	446	–	–
(Gain)/loss on disposal of property, plant and equipment, net	(2)	11	–	(5)
Property, plant and equipment written off	–	18	–	–
Gain on termination of leases	(1)	(75)	–	–
Impairment of/(reversal of impairment)				
- trade receivables	457	(198)	–	–
- other receivables	74	–	2,344	4,343
Impairment of investment in a subsidiary	–	–	23,887	6,056
Fair value gain on other current financial assets	(13)	(35)	–	(1)
Unrealised loss from foreign exchange	2,571	803	–	–
Finance cost	5,774	6,008	2,238	2,331
Profit income from deposits	(625)	(655)	(165)	(163)
Profit income from intercompany loans	–	–	(1,267)	(1,788)
Dividend income	–	–	(7,080)	(7,080)
Operating profit/(loss) before working capital changes	37,037	21,842	(2,372)	(2,639)

STATEMENTS OF CASH FLOWS (CONT'D.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
(Cont'd)				
Operating profit/(loss) before working capital changes	37,037	21,842	(2,372)	(2,639)
Working capital changes:				
Inventories	(73)	–	–	–
Contract customers	(771)	683	–	–
Contract costs	(1,991)	(1,060)	–	–
Receivables	(1,583)	(5,181)	(4,055)	(3,672)
Payables	(680)	(3,962)	278	176
Cash generated from/(used in) operations	31,939	12,322	(6,149)	(6,135)
Retirement benefit obligation paid	(430)	(127)	–	–
Taxation (paid)/refund	(6,288)	(6,146)	649	186
Dividend received	–	–	7,580	8,080
Net cash flows from operating activities	25,221	6,049	2,080	2,131
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	4	1,924	1	11
Net withdrawal of unit trust	400	10,432	–	–
Purchase of property, plant and equipment	(14,183)	(5,978)	(243)	(287)
Purchase of investment properties	(45)	–	(45)	–
Profits received from deposits	625	655	165	163
Placement of deposits pledged	(347)	(586)	(165)	(163)
Net cash flows (used in)/ from investing activities	(13,546)	6,447	(287)	(276)

**STATEMENTS OF CASH FLOWS
(CONT'D.)**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities				
Net (repayment)/drawdown of borrowings	(534)	3,504	–	–
Dividend to non-controlling interest	(5,924)	(4,704)	–	–
Financing cost paid	(5,774)	(6,008)	(2,238)	(2,331)
Lease payment	(623)	(522)	(89)	(76)
Net cash used in financing activities	(12,855)	(7,730)	(2,327)	(2,407)
Net (decrease)/increase in cash and cash equivalents	(1,180)	4,766	(534)	(552)
Cash and cash equivalents at beginning of the year	13,986	9,868	(17,676)	(17,124)
Translation differences	(2,631)	(648)	–	–
Cash and cash equivalents at end of the year	10,175	13,986	(18,210)	(17,676)
Cash and cash equivalents:				
Cash and bank balances	21	41,852	8,421	8,399
Overdraft	23	(19,271)	(18,278)	(17,887)
		22,581	(9,857)	(9,488)
Less: Restricted deposits	21	(12,406)	(8,353)	(8,188)
		10,175	(18,210)	(17,676)

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025



1. CORPORATE INFORMATION

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

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 14 April 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Adoption of Amendments to MFRSs

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

On 1 January 2025, the Group and the Company have adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2025.

Descriptions	Effective for annual periods beginning on or after
<i>Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective

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

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 <i>Amendments that are part of Annual Improvement - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contract Referencing Nature - Dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 and Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosure</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The adoption of the above pronouncements is not expected to have significant impact on the financial statements of the Group and the Company in the period of initial application, except for MFRS 18 *Presentation and Disclosure in Financial Statements*.

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

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

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

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation

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

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

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

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

2.5 Summary of material accounting policies

(a) Functional and presentation currency

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

(b) Fair value measurement

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

(c) Revenue

(i) Revenue from contracts with customers

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



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(c) Revenue (Cont'd.)

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

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

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

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

(ii) Other revenue

Profit income from deposits and intercompany loans

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

Information technology, profit from shared service and management service fees

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

Dividend income

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

Rental income

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(d) Property, plant and equipment

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

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

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

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

(e) Investment properties

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

(f) Cash and cash equivalents

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

(g) Financial assets

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

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(g) Financial assets (Cont'd.)

(ii) Subsequent measurement (Cont'd.)

Financial assets at amortised cost

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

Fair value through profit or loss

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

(h) Financial liabilities

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

(i) Employee benefits - Defined benefit plan

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

(j) Leases

The Group and the Company as lessee

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

(i) Right-of-use assets

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(j) Leases (Cont'd.)

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

(i) **Right-of-use assets (Cont'd.)**

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

- Properties 1 to 5 years
- Motor vehicles 5 years

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

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

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

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

The Group and the Company as lessor

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



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

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

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

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

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

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

(b) Impairment assessment on goodwill

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

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

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

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

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



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

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

(c) Impairment assessment of investment in subsidiaries

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

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

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

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

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

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

(d) Impairment assessment of receivables

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



4. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract with customers				
Environmental monitoring, consultancy and services	28,566	29,957	–	–
Laboratory testing services	78,288	69,236	–	–
	106,854	99,193	–	–
Other revenue				
Rental income	3,040	2,820	3,359	3,279
Dividend income from subsidiary	–	–	7,080	7,080
	3,040	2,820	10,439	10,359
Total revenue	109,894	102,013	10,439	10,359
Revenue by geographical				
- Malaysia	86,738	78,066	–	–
- Indonesia	13,935	12,766	–	–
- Saudi	9,221	11,181	–	–
	109,894	102,013	–	–
Timing of recognition				
Services transferred at a point in time	99,623	94,751	–	–
Services transferred over time	7,231	4,442	–	–
	106,854	99,193	–	–

Contract balances

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

	Group	
	2025 RM'000	2024 RM'000
Trade receivables (Note 18)	33,426	32,064
Contract assets (Note 19)	2,124	1,506
Contract liabilities (Note 19)	(126)	(279)
	35,424	33,291

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



4. REVENUE (CONT'D.)

Contract balances (Cont'd.)

Contract assets primarily relates to the Group's and the Company's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when rights become unconditional. Contract liabilities primarily relate to the advance consideration received from the customer, for which revenue is recognised over time when the Group and the Company progressively satisfy its performance obligation. The significant increase in contract assets in 2025 is the result of the increase in progress over the billings issued to customers.

Transaction price allocated to the remaining performance obligations

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

	Group	
	2025 RM'000	2024 RM'000
Environmental monitoring, consultancy and services		
Within 1 year	9,718	8,373
1 to 5 years	21,362	27,179
	31,080	35,552

5. COST OF SALES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Provision of services	25,916	36,473	–	–
Environmental contracts	5,324	3,060	–	–
Direct operating expenses arising from investment properties	1,513	1,521	1,513	1,521
	32,753	41,054	1,513	1,521

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



6. OTHER INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit income from deposits	625	655	165	163
Profit income from intercompany loans	–	–	1,267	1,788
Net gain on disposal of property, plant and equipment	2	–	–	5
Unrealised foreign exchange gain	136	–	–	–
Gain on termination of leases	1	75	–	–
Fair value gain on other current financial assets	13	35	–	1
Information technology support services	649	568	–	–
Profit from shared service and management fee	321	250	321	250
Bad debt recovered	17	171	–	–
Others	31	216	–	88
	1,795	1,970	1,753	2,295

7. STAFF COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, bonus and other emoluments	20,543	21,743	1,457	1,887
Social security cost	522	482	41	39
Pension costs:				
- defined contribution plan	2,296	2,339	606	630
- defined benefit plan (Note 24)	391	446	–	–
Other staff related expenses	4,566	4,209	983	998
	28,318	29,219	3,087	3,554

Included in staff costs of the Group and of the Company are Executive Directors' and Non-Executive Directors' remuneration amounting to RM2,585,741 and RM2,511,541 (2024: RM2,521,744 and RM2,439,544) respectively as further disclosed in Note 8.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



8. DIRECTORS' REMUNERATION

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive:				
Salaries and other emoluments	954	955	954	955
Pension costs:				
- defined contribution plan	196	196	196	196
Retirement benefits:				
- defined contribution plan	157	157	157	157
Fees	615	619	588	586
Bonus	80	80	80	80
Benefits-in-kind	71	76	71	76
	2,073	2,083	2,046	2,050
Non-executive:				
Fees	245	213	198	163
Other remuneration	268	226	268	226
	513	439	466	389
Total	2,586	2,522	2,512	2,439

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

	Number of Directors	
	2025	2024
Executive Directors:		
RM550,001 - RM650,000	1	1
RM1,450,001 - RM1,500,000	1	1
Non-Executive Directors:		
RM20,001 - RM45,000	–	2
RM45,001 - RM100,000	5	2
RM100,001 - RM150,000	1	2
Total directors	8	8

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



9. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit charges on:				
Overdraft	1,406	1,353	1,347	1,302
Revolving credit	471	590	427	506
Advance from subsidiaries	–	–	450	506
Hire purchase	24	35	–	–
Finance costs on lease obligations	66	66	14	17
Trust receipt	103	82	–	–
Term loan	3,704	3,882	–	–
	5,774	6,008	2,238	2,331

10. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration:				
Statutory audits				
- Company's auditors	343	342	95	95
- Other auditors	133	141	–	–
Other services				
- Company's auditors	10	10	10	10
Depreciation of property, plant and equipment	6,199	5,830	342	348
Amortisation of investment properties	715	715	715	715
Short-term leases (a)	296	785	–	–
Low value asset leases (b)	100	161	18	17
Foreign exchange loss				
- realised	150	94	–	–
- unrealised	2,571	803	–	–
Impairment/(reversal of impairment) of receivables				
- trade receivables	457	(198)	–	–
- other receivables	74	–	2,344	4,343
Impairment of investment in a subsidiary	–	–	23,887	6,056
(Gain)/loss on disposal of property, plant and equipment	(2)	11	–	(5)
Property, plant and equipment written off	–	18	–	–
Zakat	459	465	–	–
	5,774	6,008	2,238	2,331

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



11. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax:				
Malaysian income tax	7,088	5,639	–	–
Foreign income tax	942	457	–	–
Over provision in prior year	(166)	(224)	(649)	–
	7,864	5,872	(649)	–
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	2,002	(522)	–	–
Under/(over) provision in prior year	429	(85)	–	–
	2,431	(607)	–	–
Tax expense/(income) recognised in profit or loss	10,295	5,265	(649)	–

Domestic current income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

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

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(loss) before tax	21,497	8,974	(23,386)	(7,395)
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	5,159	2,154	(5,613)	(1,775)
Effect of taxation in other country	(56)	(42)	–	–
Effect of income not subject to tax	(116)	(158)	(1,931)	(2,060)
Effect of expenses not deductible for tax purposes	2,673	2,203	7,169	3,436
Over provision of income tax in prior year	(166)	(224)	(649)	–
Deferred tax recognition on withholding tax on foreign dividend	137	(129)	–	–
Under/(over) provision of deferred taxation in prior year	429	(85)	–	–
Movement of deferred tax assets not recognised	2,235	1,546	375	399
Income tax expense/ (income) recognised in profit or loss	10,295	5,265	(649)	–

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



12. EARNINGS PER SHARE

(a) **Basic**

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

	2025	2024
Profit/(Loss) attributable to ordinary equity holders of the Company (RM'000)	1,693	(4,022)
Number of ordinary shares for basic earnings per share computation (units'000)	655,371	655,371
Basic earnings per share (sen)	0.26	(0.61)

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

(b) **Diluted**

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



13. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM'000	Plant and machinery RM'000	Motor vehicles* RM'000	Office equipment, renovation, furniture and fittings RM'000	Total RM'000
2025					
Cost					
At 1 January 2025	20,789	46,136	10,391	27,026	104,342
Additions	492	7,324	566	6,332	14,714
Disposals	–	(31)	(50)	(33)	(114)
Write off/Termination of lease	(14)	–	(46)	(1,072)	(1,132)
Exchange differences	(793)	(2,371)	(520)	624	(3,060)
At 31 December 2025	20,474	51,058	10,341	32,877	114,750
Accumulated depreciation					
At 1 January 2025	5,658	28,924	7,387	24,404	66,373
Charge for the year	708	3,068	1,317	1,106	6,199
Disposals	–	(31)	(49)	(32)	(112)
Write off/Termination of lease	(14)	–	(46)	(1,063)	(1,123)
Exchange differences	(379)	(772)	(469)	(297)	(1,917)
At 31 December 2025	5,973	31,189	8,140	24,118	69,420
Accumulated impairment					
At 1 January/31 December 2025	–	458	–	40	498
Net carrying amount					
At 31 December 2025	14,501	19,411	2,201	8,719	44,832

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



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

Group (Cont'd.)	Land and buildings* RM'000	Plant and machinery RM'000	Motor vehicles* RM'000	Office equipment, renovation, furniture and fittings RM'000	Total RM'000
2024					
Cost					
At 1 January 2024	21,597	43,020	10,436	28,820	103,873
Additions	246	4,453	563	984	6,246
Disposals	-	(523)	(334)	(1,516)	(2,373)
Write off/Termination of lease	(610)	-	-	(1,049)	(1,659)
Exchange differences	(444)	(814)	(274)	(213)	(1,745)
At 31 December 2024	20,789	46,136	10,391	27,026	104,342
Accumulated depreciation					
At 1 January 2024	5,829	26,598	6,435	24,597	63,459
Charge for the year	453	2,762	1,408	1,207	5,830
Disposals	-	-	(257)	(181)	(438)
Write off/Termination of lease	(410)	-	-	(1,032)	(1,442)
Exchange differences	(214)	(436)	(199)	(187)	(1,036)
At 31 December 2024	5,658	28,924	7,387	24,404	66,373
Accumulated impairment					
At 1 January/31 December 2024	-	458	-	40	498
Net carrying amount					
At 31 December 2024	15,131	16,754	3,004	2,582	37,471

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



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

	Buildings* RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Company				
2025				
Cost				
At 1 January 2025	644	489	3,471	4,604
Additions	8	–	243	251
Disposals	–	–	(6)	(6)
Write off/Termination of lease	(14)	–	–	(14)
At 31 December 2025	638	489	3,708	4,835
Accumulated depreciation				
At 1 January 2025	250	489	2,790	3,529
Charge for the year	97	–	245	342
Disposals	–	–	(5)	(5)
Write off/Termination of lease	(14)	–	–	(14)
At 31 December 2025	333	489	3,030	3,852
Net carrying amount				
At 31 December 2025	305	–	678	983
2024				
Cost				
At 1 January 2024	483	489	3,328	4,300
Additions	245	–	287	532
Disposals	–	–	(144)	(144)
Write off/Termination of lease	(84)	–	–	(84)
At 31 December 2024	644	489	3,471	4,604
Accumulated depreciation				
At 1 January 2024	237	489	2,669	3,395
Charge for the year	89	–	259	348
Disposals	–	–	(138)	(138)
Write off/Termination of lease	(76)	–	–	(76)
At 31 December 2024	250	489	2,790	3,529
Net carrying amount				
At 31 December 2024	394	–	681	1,075

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

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



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

(a) Motor vehicles

Included in the property, plant and equipment of the Group and of the Company are assets held under hire purchase agreements with net book values as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Motor vehicles	43	129	–	–
Plant and machinery	305	468	–	–
	348	597	–	–

14. LEASES

The Group and the Company as a lessee:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Right-of-use assets:				
Properties	269	217	89	170
Motor vehicles	183	415	–	–
	452	632	89	170
Lease obligations (secured):				
Non-current	70	270	–	87
Current	437	354	94	88
	507	624	94	175

The leases of properties and motor vehicles are typically made for period from 1 to 5 years. The lessors do not impose any covenants.

(i) The movement in right-of-use assets are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	632	1,036	170	14
Addition	531	268	8	245
Termination	(9)	(199)	–	(8)
Depreciation	(689)	(463)	(89)	(81)
Exchange differences	(13)	(10)	–	–
At 31 December	452	632	89	170

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



14. LEASES (CONT'D.)

(ii) The movement in lease obligations (fixed lease payments) are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	624	1,161	175	14
Addition	531	268	8	245
Termination	(10)	(274)	–	(8)
Lease payment	(689)	(588)	(103)	(93)
Finance cost	66	66	14	17
Exchange differences	(15)	(9)	–	–
At 31 December	507	624	94	175

The profit rate at the reporting date of the leases were as follows:

	Group		Company	
	2025	2024	2025	2024
Profit rate	5 - 8%	5 - 8%	8%	8%

The lease payments associated with short-term leases or leases of low value assets are expensed off on a straight-line basis over the lease term. No right-of-use assets and lease obligations are recognised for these leases.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



15. INVESTMENT PROPERTIES

The investment properties include properties that are owned by the Group and the Company and that are held as right-of-use assets.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost				
At 1 January/ 31 December	43,803	43,803	46,128	46,128
Additions	45	–	45	–
At 31 December	43,848	43,803	46,173	46,128
Accumulated depreciation				
At 1 January	9,321	8,606	7,652	6,937
Charge for the year	715	715	715	715
At 31 December	10,036	9,321	8,367	7,652
Net carrying amount	33,812	34,482	37,806	38,476

Certain investment properties of the Group and the Company with carrying amount of RM33,571,052 and RM37,564,949 (2024: RM34,250,353 and RM38,244,250) respectively are pledged to secure bank loans (Note 23).

The valuation of office and warehouse and freehold land has been performed by an independent professional valuer. The total market value of the investment properties is RM52,000,000 (2024: RM52,000,000) using income and comparison approach.

The valuation of shop lot and the agricultural land are estimated by the Directors using comparison approach. The market values of the shop lot and agricultural land are RM833,000 and RM2,578,000 (2024: RM833,000 and RM2,955,000) respectively.

The investment property is valued at its highest and current best use.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



16. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Cost		
At 1 January	72,484	68,284
Addition (Note (a))	23,887	4,200
At 31 December	96,371	72,484
Accumulated impairment		
At 1 January	48,707	42,651
Impairment recognised	23,887	6,056
At 31 December	72,594	48,707
Net carrying amount	23,777	23,777

(a) Additional investment in a subsidiary

2025

The Company subscribed 400,884 new ordinary shares in Saudi ASMA Environmental Solution LLC by way of capitalisation of amount due from the subsidiary amounting RM23,887,215. The equity interest held by the Company increase from 51% to 99%.

2024

The Company subscribed 4,200,000 new ordinary shares in Alam Sekitar Malaysia Sdn. Bhd. while maintaining its 100% equity interest by way of capitalisation of amount due from the subsidiary amounting RM4,200,000.

(b) The details of the subsidiaries are as follows:

Name of subsidiaries	Ownership interest and voting interest		Principal place of business	Principal activities
	2025 %	2024 %		
Held by the Company:				
Alam Sekitar Malaysia Sdn. Bhd. ("ASMA")	100	100	Malaysia	Provision of environmental, consultancy and monitoring services and waste management and engaged in other information technology service activities not elsewhere classified (N.E.C.)

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) The details of the subsidiaries are as follows: (Cont'd.)

Name of subsidiaries	Ownership interest and voting interest		Principal place of business	Principal activities
	2025	2024		
	%	%		
Held by the Company: (Cont'd.)				
ALS Technichem (M) Sdn. Bhd. ("ALS")	59	59	Malaysia	Chemical testing consultancy services and other services in similar nature
ASMA International Sdn. Bhd. ^(b)	100	100	Malaysia	Investment holding company
Vertical Plus Sdn. Bhd. ^(b)	100	100	Malaysia	Dormant
Saudi ASMA Environmental Solution LLC ("Saudi Asma") ^(a)	100*	100*	Kingdom of Saudi Arabia	Provision of environmental monitoring, consultancy and services
ASMA Advanced Solutions Co Ltd. ("AAS") ^(a)	60	60	Kingdom of Saudi Arabia	Dormant
Held by ASMA:				
ASMA Environmental Consultancy Sdn. Bhd. ^(b)	100	100	Malaysia	Environmental training and consulting services
Alam Sekitar Eco-Technology Sdn. Bhd. ("ASET") ^(b)	90	90	Malaysia	Provision of waste management and consultancy services
Held by ALS:				
ALS Technichem (PG) Sdn. Bhd. ("ALS PG") ^(b) (Note (d))	100	100	Malaysia	Providing chemical, microbiological and environmental related analytical testing and consultancy services
PT ALS Indonesia ("PT ALS") ^(b)	80	80	Indonesia	Laboratory analysis and reports and consulting services

* Including effective equity rate of 1% (2024: 49%) held through AAS.

^(a) Audited by a member firm of Grant Thornton International Ltd.

^(b) Audited by firms other than member firm of Grant Thornton International Ltd.



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(c) Impairment of investment in subsidiaries

An impairment review of the carrying amounts of investment in subsidiaries at the reporting date was undertaken by comparing it to the respective recoverable amounts. The losses reported by the two subsidiaries within the Group indicated the carrying amounts of the investment in these subsidiaries may be impaired.

The Company estimated the recoverable amounts of its cash generating units ("CGUs") based on value-in-use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the investment in these subsidiaries, and discounting them at the appropriate rates. The significant judgement and estimates are involved in the assessment of these recoverable amount.

(i) Saudi Asma

Key assumptions and value-in-use calculation

The recoverable amount of the CGU is determined using value-in-use method based on cash flow projection derived from financial projections approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment assessment of investment in Saudi Asma:

(a) Discount rate

The pre-tax discount rate of 7.15% (2024: 10.5%) is based on the risk specific to the CGU.

(b) Terminal growth rate

Cash flow beyond the five-year period are extrapolated using growth rate of 1.6% (2024: 2.3%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

During the financial year, an impairment loss amounting to RM23,877,215 (2024: RM6,056,099) was recognised in the operating expenses as the carrying amount of the investment in Saudi Asma of RM23,877,215 (2024: RM6,056,099) exceeded its recoverable amount due to the losses reported by the subsidiary.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(c) Impairment of investment in subsidiaries (Cont'd.)

(ii) ASMA

Key assumptions and value-in-use calculation

The recoverable amount of the CGU is determined using value-in-use method based on cash flow projection derived from financial projections approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment assessment of investment in ASMA:

(a) **Discount rate**

The pre-tax discount rate of 8.05% (2024: 14.5%) is based on the risk specific to the CGU.

(b) **Terminal growth rate**

Cash flow beyond the five-year period are extrapolated using growth rate 1.9% (2024: 2.0%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

Management's assessment included an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, if the discount rate increase 1% and assuming all else remained constant, there would be an impairment of RM2,863,000.

Non-controlling interests ("NCI")

	AAS RM'000	ALS Group* RM'000	ASET RM'000	Total RM'000
2025				
NCI percentage of ownership and voting interest	40%	41%	10%	
Carrying amount of NCI	(3,063)	41,114	(375)	37,676
(Loss)/profit allocated to NCI	(90)	9,615	(16)	9,509
2024				
NCI percentage of ownership and voting interest	40%	41%	10%	
Carrying amount of NCI	(2,973)	37,481	(359)	34,149
(Loss)/profit allocated to NCI	(68)	7,810	(11)	7,731

* ALS held 80% ownership interest and voting interest of PT ALS Indonesia, remaining 20% held by NCI.

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Non-controlling interests ("NCI") (Cont'd.)

Summarised statement of profit or loss and other comprehensive (loss)/income:

	AAS RM'000	ALS Group RM'000	ASET RM'000
31 December 2025			
Revenue	–	78,771	61
(Loss)/profit for the year	(225)	22,389	(160)
Total comprehensive (loss)/income	(225)	20,786	(160)

31 December 2024

Revenue	–	70,637	–
(Loss)/profit for the year	(170)	18,250	(108)
Total comprehensive (loss)/income	(170)	17,425	(108)

Summarised statement of financial position:

	AAS RM'000	ALS Group RM'000	ASET RM'000
31 December 2025			
Non-current assets	–	53,160	–
Current assets	–	57,316	928
Non-current liabilities	–	(1,889)	–
Current liabilities	(6,282)	(16,715)	(1,432)
Net (liabilities)/assets	(6,282)	91,872	(504)

31 December 2024

Non-current assets	–	45,137	–
Current assets	–	58,952	956
Non-current liabilities	–	(2,032)	–
Current liabilities	(6,678)	(18,728)	(1,300)
Net (liabilities)/assets	(6,678)	83,329	(344)

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Non-controlling interests ("NCI") (Cont'd.)

Summarised statement of cash flows:

	AAS RM'000	ALS Group RM'000	ASET RM'000
31 December 2025			
Cash flows (used in)/from operating activities	(12)	28,659	1
Cash flows used in investing activities	–	(13,387)	–
Cash flows used in financing activities	–	(13,309)	–
Net (decrease)/increase in cash and cash equivalents	(12)	1,963	1
Dividend paid to NCI	–	(5,163)	–
31 December 2024			
Cash flows (used in)/from operating activities	(2,106)	8,920	(31)
Cash flows from investing activities	–	8,337	–
Cash flows from/(used in) financing activities	2,449	(13,683)	–
Net increase/(decrease) in cash and cash equivalents	343	3,574	(31)
Dividend paid to NCI	–	(5,460)	–

17. GOODWILL ON CONSOLIDATION

	Group	
	2025 RM'000	2024 RM'000
At 1 January	19,674	19,674
Less: Accumulated impairment	(12,722)	(12,722)
At 31 December	6,952	6,952

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



17. GOODWILL ON CONSOLIDATION (CONT'D.)

Goodwill has been allocated to the Group's CGU identified by business segment and country as follows:

	Group	
	2025	2024
	RM'000	RM'000
Lab testing services - Indonesia	861	861
Lab testing services - Malaysia	6,091	6,091
	6,952	6,952

(a) Impairment test for goodwill

The Group performed a review on the recoverable amount of goodwill on consolidation during the year. The recoverable amount is based on value-in-use for the CGUs to which the goodwill is allocated.

Key assumptions used in value-in-use calculations

The recoverable amount of the CGU is determined using value-in-use method based on cash flow projection derived from financial projections approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) PT ALS Indonesia

(a) Discount rate

The pre-tax discount rate used is 10.2% (2024: 11.8%) based on the risk specific to the CGU.

(b) Terminal growth rate

Cash flow beyond the five-year period is extrapolated using a growth rate of 3.0% (2024: 3.4%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

(ii) ALS Technichem (PG) Sdn. Bhd.

(a) Discount rate

The pre-tax discount rate used is 8.0% (2024: 8.8%) based on the risk specific to the CGU.

(b) Terminal growth rate

Cash flow beyond the five-year period is extrapolated using a growth rate of 2.0% (2024: 2.0%) which is based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables (Note (a)):				
Current				
Third parties	34,702	33,902	83	169
Immediate holding company	41	144	41	144
Subsidiaries	–	–	1,378	482
Related parties	1,513	299	267	85
Dividend receivable	–	–	2,040	2,540
	36,256	34,345	3,809	3,420
Less: Allowance for impairment	(2,830)	(2,281)	–	–
	33,426	32,064	3,809	3,420
Other receivables (Note (b)):				
Non current				
Amount due from a subsidiary	12	–	4,229	26,123
Less: Allowance for impairment	–	–	(4,229)	(4,229)
	12	–	–	21,894
Current				
Amounts due from (Note (c)):				
- Immediate holding company	2,666	2,245	2,485	2,149
- Subsidiaries	–	–	8,136	6,049
Related parties (Note (d))	833	735	309	191
Deposits	1,750	1,951	186	186
Prepayments (Note (e))	3,268	2,859	70	171
Sundry receivables	1,313	3,519	3	3
	9,830	11,309	11,189	8,749
Less: Allowance for impairment				
- subsidiaries	–	–	(6,475)	(4,131)
- sundry receivables	(84)	(10)	(10)	(10)
	(84)	(10)	(6,485)	(4,141)
	9,746	11,299	4,704	4,608
Total trade and other receivables	43,184	43,363	8,513	29,922

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



18. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total current	43,172	43,363	8,513	8,028
Total non current	12	–	–	21,894
<hr/>				
Total trade and other receivables	43,184	43,363	8,513	29,922
Add: Cash and bank balances (Note 21)	41,852	44,644	8,421	8,399
Less: Prepayments (Note (e))	(3,268)	(2,859)	(70)	(171)
Dividend receivable	–	–	(2,040)	(2,540)
<hr/>				
Total financial assets carried at amortised cost	81,768	85,148	14,824	35,610

(a) Trade receivables

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a Credit Control Department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

Ageing analysis of trade receivables (third parties)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Neither past due nor impaired	17,366	16,887	31	39
1 to 30 days past due not impaired	5,121	4,121	5	28
31 to 60 days past due not impaired	2,947	2,969	5	4
61 to 90 days past due not impaired	1,701	2,484	5	4
91 to 120 days past due not impaired	2,028	1,564	–	5
More than 121 days past due not impaired	2,709	3,596	37	89
Impaired	14,506	14,734	52	130
	2,830	2,281	–	–
<hr/>				
	34,702	33,902	83	169

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



18. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (Cont'd.)

Movement in allowance accounts

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	2,281	2,525	–	–
Recognised	1,175	756	–	–
Recovered	(718)	(954)	–	–
Written off	(11)	(42)	–	–
Translations differences	103	(4)	–	–
At 31 December	2,830	2,281	–	–

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Movement in allowance accounts

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	10	10	8,370	4,027
Recognised	74	–	2,344	4,343
At 31 December	84	10	10,714	8,370

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(c) Amounts due from immediate holding company and subsidiaries

Amounts due from immediate holding company is receivable on demand and are non-interest bearing. The amount due from subsidiaries are receivable on demand and bears finance cost ranging between 4.4% to 7.6% (2024: 4.6% to 7.7%) per annum.

(d) Related parties

Related parties refer to companies related to ZSB, an immediate holding company. All related party receivables are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 29. Other information on financial risks of other receivables are disclosed in Note 30.

(e) Prepayments

In the previous financial year, included in the prepayment of the Group was an amount of RM463,622 (10% of the purchase considerations amounted to RM475,830 with a discount received of RM12,208) paid for the sales and purchase agreement entered into on 29 November 2024 for purchase of a piece of land with a total purchase considerations of RM4,758,300. The purchase transaction had been completed during the financial year.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



19. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025 RM'000	2024 RM'000
At 1 January	1,227	1,910
Revenue recognised during the year (Note 4)	7,231	4,442
Billings during the year	(6,460)	(5,125)
At 31 December	1,998	1,227
<i>Presented as:</i>		
Contract assets	2,124	1,506
Contract liabilities	(126)	(279)
	1,998	1,227

Contract costs

Contract costs comprise services and goods provided by the Group for fulfillment of contracts. The Contract costs recognised in profit or loss when the related services is fully rendered and delivered in accordance with the contract.

20. OTHER CURRENT FINANCIAL ASSETS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Held for trading investments				
Quoted investment in units and money market fund, at fair value through profit or loss	3,998	4,895	14	13

21. CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash on hand and at banks	29,446	32,585	68	211
Deposits with licensed banks	12,406	12,059	8,353	8,188
	41,852	44,644	8,421	8,399

Deposits with licensed bank of the Group and the Company amounting to RM12,405,613 and RM8,353,195 (2024: RM12,059,379 and RM8,188,187) is pledged as securities for trade facilities.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



21. CASH AND BANK BALANCES (CONT'D)

(a) The weighted average effective profit rates of the deposits at the reporting date were as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Licensed banks	2.09	2.02	1.92	2.03

(b) The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2025 Days	2024 Days	2025 Days	2024 Days
Licensed banks	30-365	30-365	30	30

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables				
Third parties (Note (a))	7,852	11,067	239	248
Other payables				
Amounts due to (Note (b)):				
- Immediate holding company	5	1	5	1
- Subsidiary	–	–	11,006	11,137
Related parties (Note (c))	2,115	1,909	31	56
Accruals	6,938	10,040	683	612
Dividend payable	2,456	3,217	–	–
Sundry payables	7,693	3,657	1,542	1,330
Gratuity payable	2,137	1,980	2,137	1,980
	21,344	20,804	15,404	15,116
Total trade and other payables	29,196	31,871	15,643	15,364
Total non current	2,247	–	2,137	–
Total current	26,949	31,871	13,506	15,364
Total trade and other payables	29,196	31,871	15,643	15,364
Add: Borrowings (Note 23)	61,093	62,739	29,278	28,887
Lease obligations (Note 14)	507	624	94	175
Less: Dividend payable	(2,456)	(3,217)	–	–
Total financial liabilities carried at amortised cost	88,340	92,017	45,015	44,426

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



22. TRADE AND OTHER PAYABLES (CONT'D.)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 30 days to 90 days (2024: from 30 days to 90 days).

(b) Amounts due to immediate holding company and a subsidiary

Amount due to immediate holding company is repayable on demand, interest free and unsecured. Advance due to a subsidiary is non trade, repayable on demand, unsecured and bears finance cost at 4.45% (2024: 4.61%) per annum.

Further details on related party transactions are disclosed in Note 29.

Other information on financial risks of other payables are disclosed in Note 30.

(c) Related parties

Amount due to related parties are repayable on demand. These amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 29.

Other information on financial risks of other payables are disclosed in Note 30.

23. BORROWINGS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Secured*:				
Hire purchase (Note (a))	121	315	-	-
Overdraft	19,271	18,599	18,278	17,887
Revolving credit	22,072	22,070	11,000	11,000
Term loan	17,912	18,985	-	-
	59,376	59,969	29,278	28,887
Unsecured:				
Revolving credit	-	1,200	-	-
Trust receipt	1,694	1,427	-	-
	1,694	2,627	-	-
	61,070	62,596	29,278	28,887
Non-Current				
Secured:				
Hire purchase (Note (a))	23	143	-	-
Total borrowings	61,093	62,739	29,278	28,887

* The borrowings are secured by investment properties and fixed deposits which disclosed in Note 15 and Note 21 to the financial statements.

* Corporate guarantee by the subsidiary and the Company.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



23. BORROWINGS (CONT'D.)

(a) Hire purchase

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Minimum lease payments				
Not later than 1 year	124	339	–	–
Later than 1 year and not later than 2 years	24	124	–	–
Later than 2 years and not later than 5 years	–	23	–	–
	148	486	–	–
Less: Future finance charges	(4)	(28)	–	–
Present value of finance lease liabilities	144	458	–	–
Present value of finance lease liabilities:				
Not later than 1 year	121	315	–	–
Later than 1 year and not later than 2 years	23	121	–	–
Later than 2 years and not later than 5 years	–	22	–	–
	144	458	–	–
Analysed as:				
Due within 12 months	121	315	–	–
Due after 12 months	23	143	–	–
	144	458	–	–

The weighted average effective profit rate at the reporting date of the borrowings were as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Hire purchase	4.42	4.42	–	–
Overdraft	7.33	7.45	7.58	7.70
Revolving credit	4.36	4.74	4.45	4.61
Term loan	9.62	9.47	–	–
Trust receipt	7.70	6.64	–	–

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



24. RETIREMENT BENEFIT OBLIGATION

The amount recognised in the statements of financial position are determined as follows:

	Group	
	2025 RM'000	2024 RM'000
Present value of obligation/Net liability		
Non-current	1,123	1,881
Current	455	–
	1,578	1,881
Movement in net liability was as follows:		
At 1 January	1,881	1,777
Provision during the year (Note 7)	391	446
Payment made during the year	(416)	(127)
Actuarial gain on retirement benefit	(14)	(120)
Exchange difference	(264)	(95)
	1,578	1,881
The amount recognised in the statements of comprehensive income:		
Current service cost	391	446

The following are the expected payments or contributions to the defined benefit plan in future years:

	Group	
	2025 RM'000	2024 RM'000
Not later than 1 year	325	–
Between 2 and 5 years	1,656	1,286
More than 5 years	1,809	1,001
	3,790	2,287

The carrying amount of retirement benefit obligation at year end for PT ALS and Saudi Asma amounting to RM662,785 and RM915,635 (2024: RM1,074,273 and RM806,579) respectively.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



24. RETIREMENT BENEFIT OBLIGATION

Actuarial assumptions

The principal assumptions used in determining pension and post retirement benefit obligation for the Group's plans are shown below:

	PT ALS		Saudi Asma	
	2025	2024	2025	2024
Discount rate	6%	7%	5%	5%
Future salary growth	4%	6%	2%	2%

Assumptions regarding future mortality are based on published statistic and mortality tables.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

	Retirement benefit obligation			
	PT ALS		Saudi Asma	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Discount rate:				
1% increase	(28)	(46)	(466)	(562)
1% decrease	31	55	517	621
Future salary growth:				
1% increase	35	55	517	622
1% decrease	(32)	(47)	(465)	(561)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on the retirement benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the retirement benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



25. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Units'000	2024 Units'000	2025 RM'000	2024 RM'000
Issued and fully paid:				
At 1 January/31 December	658,000	658,000	65,970	65,970
Treasury shares				
	Number of treasury shares		Amount	
	2025 Units'000	2024 Units'000	2025 RM'000	2024 RM'000
	2025 Units'000	2024 Units'000	2025 RM'000	2024 RM'000
At 1 January/31 December	2,629	2,629	364	364

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

26. OTHER RESERVES

	Group	
	2025 RM'000	2024 RM'000
At 1 January	(2,301)	(3,040)
Loss during the year	1,154	739
At 31 December	(1,147)	(2,301)

The components of other reserves included the following:

	Foreign exchange reserve RM'000	Statutory reserve RM'000	Defined benefit plan reserve RM'000	Total RM'000
At 1 January 2024	(3,093)	179	(126)	(3,040)
Loss during the year	645	-	94	739
At 31 December 2024	(2,448)	179	(32)	(2,301)
Loss during the year	1,124	-	30	1,154
At 31 December 2025	(1,324)	179	(2)	(1,147)

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



26. OTHER RESERVES (CONT'D.)

The nature and purpose of each category of reserve are as follows:

(a) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(b) Statutory reserve

This relates to reserve required by state regulator of a subsidiary.

(c) Defined benefits obligation (remeasurement) reserve

The fair value reserve comprises all actuarial gain arising from the defined benefit plan of PTALS and Saudi ASMA.

27. DEFERRED TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	(3,263)	(2,656)	–	–
Recognised in profit or loss (Note 11)	2,431	(607)	–	–
At 31 December	(832)	(3,263)	–	–
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	2,685	1,934	–	–
Deferred tax assets	(3,517)	(5,197)	–	–
	(832)	(3,263)	–	–

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets:				
Provisions				
At 1 January	(2,803)	(2,637)	(468)	(468)
Recognised in profit or loss	163	(166)	–	–
At 31 December	(2,640)	(2,803)	(468)	(468)
Unabsorbed business losses				
At 1 January	(3,902)	(3,902)	–	–
Recognised in profit or loss	1,559	–	–	–
At 31 December	(2,343)	(3,902)	–	–
Total deferred tax assets	(4,983)	(6,705)	(468)	(468)

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



27. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax liabilities:				
Property, plant and equipment				
At 1 January	2,201	2,562	468	468
Recognised in profit or loss	572	(361)	–	–
At 31 December	2,773	2,201	468	468
Provision for withholding tax				
At 1 January	1,241	1,321	–	–
Recognised in profit or loss	137	(80)	–	–
At 31 December	1,378	1,241	–	–
Total deferred tax liabilities	4,151	3,442	468	468
Deferred taxation, net	(832)	(3,263)	–	–

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unabsorbed business loss	24,737	15,925	6,124	5,005
Unutilised capital allowance	3,434	3,218	1,574	1,358
Other deductible temporary differences	2,063	1,778	2,089	1,864
	30,234	20,921	9,787	8,227

Deferred tax assets have not been recognised in respect of these items because it is not probable that they may be used to offset taxable profit of the Company and the respective subsidiaries of the Group.

The unabsorbed business loss can be carried forward indefinitely except as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Year of assessment 2028	5,735	5,735	–	–
Year of assessment 2030	2,734	2,734	874	874
Year of assessment 2031	1,992	1,992	945	945
Year of assessment 2032	7,219	2,530	769	769
Year of assessment 2033	3,716	712	573	573
Year of assessment 2034	2,222	2,222	1,844	1,844
Year of assessment 2035	1,119	–	1,119	–
	24,737	15,925	6,124	5,005

In Malaysia, pursuant to Section 44(5F) of the Income Tax Act, 1967, the unabsorbed business losses can be carried forward and available for use for 10 years starting from the year of assessment 2018.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



28. CAPITAL COMMITMENTS

	Group	
	2025	2024
	RM'000	RM'000
Property, plant and equipment		
- Approved and contracted for	1,975	4,282

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2025	2024
	RM'000	RM'000
Group		
Rental income from Zaiyadal Sdn. Bhd., immediate holding company ("ZSB")	(65)	(65)
Rental income from subsidiaries of ZSB		
- Foxboro (Malaysia) Sdn. Bhd.	(194)	(189)
- Progressive Impact Technology Sdn. Bhd.	(727)	(680)
- IAM- Wonderware Sdn. Bhd.	(186)	(181)
- Untung Aquaculture Sdn. Bhd.	(23)	(23)
- Progressive Impact Corrosion Sdn. Bhd.	(105)	-
- Intelligent Aqua Sdn. Bhd.	(55)	(48)
Provision of corporate service to ZSB	(734)	(1,072)
Provision of corporate service to subsidiary of ZSB		
- Progressive Impact Technology Sdn. Bhd.	(976)	(1,337)
Provision of environmental consulting services to		
- Progressive Impact Technology Sdn. Bhd.	-	(338)
- Untung Aquaculture Sdn. Bhd.	(2,117)	(370)
Information technology support to ZSB	(56)	(40)
Information technology support to subsidiary of ZSB		
- Foxboro (Malaysia) Sdn. Bhd.	(248)	(215)
- Progressive Impact Technology Sdn. Bhd.	(183)	(165)
- Progressive Impact Corrosion Sdn. Bhd.	(64)	(39)
- Progressive Software Solutions Sdn. Bhd.	(10)	(13)
- Intelligent Aqua Sdn. Bhd.	(27)	(21)
Provision for consultancy and management services from ZSB	395	261
Supply of water treatment technology by Intelligent Aqua Sdn. Bhd.	114	-
Sales from Asiatest Laboratory Service Sdn. Bhd., related party to a subsidiary, ALS Technichem (M) Sdn. Bhd.	-	(1,906)
Provision for consultancy and management services to a related party, LI Commerce Sdn. Bhd.	588	586

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (Cont'd.)

	2025 RM'000	2024 RM'000
Company		
Rental income from ZSB	(65)	(65)
Rental income from subsidiaries of ZSB		
- Foxboro (Malaysia) Sdn. Bhd.	(194)	(189)
- Progressive Impact Technology Sdn. Bhd.	(727)	(680)
- IAM- Wonderware Sdn. Bhd.	(186)	(181)
- Untung Aquaculture Sdn. Bhd.	(23)	(23)
- Progressive Impact Corrosion Sdn. Bhd.	(105)	-
- Intelligent Aqua Sdn. Bhd.	(55)	(48)
Provision of corporate service to ZSB	(734)	(1,072)
Provision of corporate service to subsidiary of ZSB		
- Progressive Impact Technology Sdn. Bhd.	(976)	(1,337)
Provision of corporate service to subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(835)	(607)
- ALS Technichem (M) Sdn. Bhd.	(520)	(138)
- Saudi ASMA Environmental Solution LLC	(306)	(209)
- ASMA Advanced Solution LLC	(1)	(8)
Provision of management services to subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(289)	(286)
- ALS Technichem (M) Sdn. Bhd.	(496)	(491)
- Saudi ASMA Environmental Solution LLC	(172)	(170)
Utilities and other expenses charged to subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(56)	(104)
Profit on advances charged to subsidiaries		
- ASMA Advanced Solution LLC	(2)	(2)
- Saudi ASMA Environmental Solution LLC	(963)	(1,502)
- Alam Sekitar Malaysia Sdn. Bhd.	(258)	(234)
- ASMA International Sdn. Bhd.	(45)	(51)
Provision for consultancy and management services from ZSB	395	261
Provision for consultancy and management services to a related party, LI Commerce Sdn. Bhd.	588	586
Rental income from subsidiaries		
- Alam Sekitar Malaysia Sdn. Bhd.	(214)	(355)

The Directors are of the opinion that the transactions have been entered into in the normal course of business and at terms mutually agreed between parties.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Compensation to key management personnel

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly or indirectly, including Executive directors of the Group and the Company. The remuneration and compensation of directors and other members of key management during the year were as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, bonus and other emoluments	4,506	4,382	2,041	2,106
Social security costs	5	4	2	2
Defined contribution plan	419	408	239	252
Defined benefit plan	157	157	157	157
	<u>5,087</u>	<u>4,951</u>	<u>2,439</u>	<u>2,517</u>

Included in the total key management personnel are:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive directors' remuneration	2,073	2,083	2,046	2,050

30. FINANCIAL INSTRUMENTS

(i) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its profit rate, liquidity, credit and foreign currency risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transaction.

(ii) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's profit rate management objective is to manage the profit costs consistent with maintaining an acceptable level of exposure to profit rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The information on maturity dates and effective profit rates of the financial assets and liabilities are disclosed in their respective notes.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(ii) Profit rate risk (Cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group				
Floating rate				
Overdraft	19,271	18,599	18,278	17,887
Revolving credit	22,072	23,270	11,000	11,000
Term loan	17,912	18,985	–	–
	59,255	60,854	29,278	28,887

With all other variables held constant, the following table demonstrates the sensitivity of the Group and the Company's profit net of tax to a reasonably possible change in the profit rates.

	Group		Company	
	Increase/ (decrease) in basis points	Effect on profit/equity (decrease)/ increase RM'000	Increase/ (decrease) in basis points	Effect on profit/equity (decrease)/ increase RM'000
As at 31 December 2025				
Ringgit Malaysia	+ 25	(148)	+ 25	(73)
Ringgit Malaysia	- 25	148	- 25	73
As at 31 December 2024				
Ringgit Malaysia	+ 25	(152)	+ 25	72
Ringgit Malaysia	- 25	152	- 25	(72)

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirements.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(iii) Liquidity risk (Cont'd.)

The table below summaries the maturity profile of the Group's and the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

	On demand or within one year RM'000	One to five years RM'000	Total RM'000
As at 31 December 2025			
Group			
Financial liabilities:			
Trade and other payables	26,949	2,247	29,196
Borrowings	61,070	23	61,093
Lease obligations	437	70	507
Total undiscounted financial liabilities	88,456	2,340	90,796
Company			
Financial liabilities:			
Trade and other payables*	13,506	2,137	15,643
Borrowings	29,278	–	29,278
Lease obligations	94	–	94
Total undiscounted financial liabilities	42,878	2,137	45,015
As at 31 December 2024			
Group			
Financial liabilities:			
Trade and other payables	31,871	–	31,871
Borrowings	62,596	143	62,739
Lease obligations	354	270	624
Total undiscounted financial liabilities	94,821	413	95,234
Company			
Financial liabilities:			
Trade and other payables*	15,364	–	15,364
Borrowings	28,887	–	28,887
Lease obligations	88	87	175
Total undiscounted financial liabilities	44,339	87	44,426

* At the reporting date, the counterparty to the financial guarantee does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantee amounting to RM43,148,604 (2024: RM45,082,965) is not included in the above maturity profile analysis.



30. FINANCIAL INSTRUMENTS (CONT'D.)

(iv) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with reputable licensed banks.

Receivables and contract assets

The Group and the Company minimise credit risk by entering into contracts with highly credit rated counterparties and through credit approval, financial limits and on-going monitoring procedures. Counterparties credit evaluation is done systematically using quantitative and qualitative criteria on credit risks specified by individual operating units. Depending on the creditworthiness of the counterparty, the Group and the Company may require collateral or other credit enhancements.

The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial asset as reported in the statements of financial position.

The Group and the Company use ageing analysis and credit limit review to monitor the credit quality of the receivables. Any customers exceeding their credit limit are monitored closely. With respect to the trade and other receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

With respect to the trade and other receivables which have no realistic prospect of recovery, the gross carrying amounts of the credit impaired receivables will be written off (either in partial or in full).

Recognition and measurement of impairment loss

The Group and the Company measure their impairment losses for financial assets using a forward-looking expected credit loss ("ECL") approach. In determining the ECL, the probability of default assigned to each customer is based on their individual both quantitative and qualitative information and analysis, Group's and Company's historical experience and informed credit assessment and including forward-looking information.

Information regarding trade receivables that are either past due or individually impaired is as disclosed in Note 18.

Financial guarantee

The Company provides unsecured financial guarantee to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis, the results of the certain subsidiaries and repayments made by the certain subsidiaries.

The maximum exposure to credit risk is amounting to RM43,148,604 (2024: RM45,082,965) which represents the outstanding banking facilities of the subsidiaries as at reporting date. As at reporting date, there was no indication that the subsidiaries would default on repayment.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(v) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar (USD), Australian Dollar (AUD), Singapore Dollar (SGD) and Euro (EURO). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Group

	USD RM'000	Denominated in AUD RM'000	SGD RM'000	EURO RM'000
As at 31 December 2025:				
Bank balances	18,732	100	–	–
Trade receivables	1,104	14	–	–
Trade payables	(167)	(148)	(51)	(439)
	19,669	(34)	(51)	(439)
As at 31 December 2024:				
Bank balances	10,025	76	76	–
Trade receivables	294	–	–	–
Trade payables	(1,456)	(75)	–	(150)
	8,863	1	76	(150)

With all other variables held constant, the following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in those exchange rates against the functional currency of the Group:

Group

	USD/RM'000	Increase/(Decrease) Profit before tax/Equity		EURO/RM'000
		AUD/RM'000	SGD/RM'000	
As at 31 December 2025:				
- strengthen 3%	590	(1)	(2)	(13)
- weaken 3%	(590)	1	2	13
As at 31 December 2024:				
- strengthen 3%	266	0	2	(5)
- weaken 3%	(266)	(0)	(2)	5

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



30. FINANCIAL INSTRUMENTS (CONT'D.)

(vi) Fair value

The carrying amounts of short-term receivables and payables, cash and cash equivalents and borrowings (except for lease liabilities), are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The lease liabilities are not carried at fair values but carrying amounts are reasonable approximations of fair values as the fair values are estimated by discounting expected future lease payments at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the date of application.

The table below analyses financial instruments carried at fair value together with their carrying amounts shown in the Statements of Financial Position.

Financial instruments carried at fair value

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Level 1				
31 December 2025				
Group				
Financial assets:				
Other current financial assets	3,998	4,895	14	13

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)

30. FINANCIAL INSTRUMENTS (CONT'D.)

(vii) The movement in liabilities arising from financing activities are as follows:

	Lease obligation RM'000	Hire purchase RM'000	Overdraft RM'000	Revolving credit RM'000	Term loan RM'000	Trust receipt RM'000	Total RM'000
Group							
At 1 January 2024	1,161	292	17,696	23,796	15,761	1,340	60,046
Addition of right-of-use assets	268	-	-	-	-	-	268
Termination of lease/ Movement in bank overdraft	(274)	-	903	-	-	-	629
Exchange differences	(9)	-	-	-	(553)	-	(562)
Net (repayment)/drawdown	(522)	166	-	(526)	3,777	87	2,982
Profit charged	66	35	1,353	590	3,882	82	6,008
Profit charged paid	(66)	(35)	(1,353)	(590)	(3,882)	(82)	(6,008)
At 31 December 2024/							
1 January 2025	624	458	18,599	23,270	18,985	1,427	63,363
Addition of right-of-use assets	531	-	-	-	-	-	1,111
Termination of lease/ Movement in bank overdraft	(10)	-	672	-	-	-	270
Exchange differences	(15)	-	-	-	(411)	-	(425)
Net (repayment)/drawdown	(623)	(314)	-	(1,198)	(662)	267	(2,719)
Profit charged	66	24	1,406	471	3,704	103	5,774
Profit charged paid	(66)	(24)	(1,406)	(471)	(3,704)	(103)	(5,774)
At 31 December 2025	507	144	19,271	22,072	17,912	1,694	61,600



30. FINANCIAL INSTRUMENTS (CONT'D.)

(vii) The movement in liabilities arising from financing activities are as follows:

Company	Lease obligation RM'000	Hire purchase RM'000	Overdraft RM'000	Revolving credit RM'000	Advance from a subsidiary RM'000	Total RM'000
At 1 January 2024	14	-	17,191	11,000	11,116	39,321
Addition of right-of-use assets	245	-	-	-	-	245
Termination of lease/ Movement in bank overdraft	(8)	-	696	-	-	688
Net repayment	(76)	-	-	-	-	(76)
Profit charged	17	-	1,302	506	506	2,331
Profit charged paid	(17)	-	(1,302)	(506)	(485)	(2,310)
At 31 December 2024/1 January 2025	175	-	17,887	11,000	11,137	40,199
Addition of right-of-use assets	8	-	-	-	-	8
Termination of lease/ Movement in bank overdraft	-	-	391	-	-	391
Net repayment	(89)	-	-	-	(131)	(220)
Profit charged	14	-	1,347	427	450	2,238
Profit charged paid	(14)	-	(1,347)	(427)	(450)	(2,238)
At 31 December 2025	94	-	18,278	11,000	11,006	40,378

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



31. SEGMENTAL INFORMATION

(a) Business segments

The Group is organised into 3 major business segments:

- (i) Environmental monitoring, consultancy and services - providing environmental related services.
- (ii) Laboratory testing services - chemical testing, consultancy service and other services of similar nature.
- (iii) Others - Investment holding, property investment and dormant.

	Note	Environmental monitoring, consultancy and services RM'000	Laboratory testing services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
2025						
Revenue						
External sales		28,566	78,288	3,040	-	109,894
Inter-segment sales	(i)	451	886	7,399	(8,736)	-
Total revenue		29,017	79,174	10,439	(8,736)	109,894
Results						
(Loss)/profit from operations		(760)	31,842	(16,031)	12,220	27,271
Dividend income		-	-	7,080	(7,080)	-
Other non-cash expenses	(ii)	(1,055)	(1,835)	(587)	-	(3,477)
Finance costs		(5,274)	(43)	(2,282)	1,825	(5,774)
Taxation		(1,970)	(8,974)	649	-	(10,295)



31. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments (Cont'd.)

	Note	Environmental monitoring, consultancy and services		Laboratory testing services		Others	Elimination	Consolidated
		RM'000	RM'000	RM'000	RM'000			
2025 (Cont'd.)								
Assets								
Segment operating assets		40,587	110,477	84,591	(55,521)			180,134
Deferred tax assets		3,194	323	–	–			3,517
Total assets		43,781	110,800	84,591	(55,521)			183,651
Liabilities								
Segment operating liabilities		63,690	17,220	47,068	(31,978)			96,000
Deferred tax liabilities		–	1,708	–	977			2,685
Total liabilities		63,690	18,928	47,068	(31,001)			98,685
Other Information								
Capital expenditure - property, plant and equipment		832	14,212	250	(580)			14,714
Depreciation and amortisation		1,122	4,895	1,057	(160)			6,914

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



31. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments (Cont'd.)

	Note	Environmental monitoring, consultancy and services RM'000	Laboratory testing services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
2024						
Revenue						
External sales		29,957	69,236	2,820	–	102,013
Inter-segment sales	(i)	–	1,401	7,539	(8,940)	–
Total revenue		29,957	70,637	10,359	(8,940)	102,013
Results						
(Loss)/profits from operations		(4,716)	23,891	5,219	(9,412)	14,982
Dividend income		–	–	7,080	(7,080)	–
Other non-cash expenses	(ii)	10	(975)	(5)	–	(970)
Finance costs		(6,045)	(49)	(2,331)	2,417	(6,008)
Taxation		–	(5,265)	–	–	(5,265)
Assets						
Segment operating assets		42,209	102,521	111,948	(81,499)	175,179
Deferred tax assets		5,197	–	–	–	5,197
Total assets		47,406	102,521	111,948	(81,499)	180,376
Liabilities						
Segment operating liabilities		85,570	18,235	46,477	(50,432)	99,850
Deferred tax liabilities		–	957	–	977	1,934
Total liabilities		85,570	19,192	46,477	(49,455)	101,784
Other Information						
Capital expenditure - property, plant and equipment		663	5,003	580	–	6,246
Depreciation and amortisation		1,480	4,306	1,063	(304)	6,545

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



31. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments (Cont'd.)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- (i) Inter-segment revenues are eliminated on consolidation.
- (ii) Other material non-cash income/(expenses) consist of the following items:

	2025 RM'000	2024 RM'000
Provision for retirement benefit obligations	(391)	(446)
Property, plant and equipment written off	–	(18)
Gain on termination of leases	1	75
(Impairment of)/reversal of impairment of trade receivables	(457)	198
Impairment of other receivables	(74)	–
Gain/(loss) on disposal of property, plant and equipment	2	(11)
Fair value gain on other current financial assets	13	35
Unrealised loss from foreign exchange	(2,571)	(803)
	(3,477)	(970)

(b) Geographical segments

The Group's geographical segments are for its subsidiaries that are involved in laboratory testing services, environmental monitoring, consultancy and services which operates in Malaysia, Indonesia and Saudi Arabia.

	Total revenue from external customers RM'000	Segment assets RM'000	Capital expenditure RM'000
2025			
Malaysia	86,738	151,060	14,624
Indonesia	13,935	22,847	73
Saudi Arabia	9,221	9,744	17
	109,894	183,651	14,714
2024			
Malaysia	78,066	140,969	6,126
Indonesia	12,766	27,054	73
Saudi Arabia	11,181	12,353	47
	102,013	180,376	6,246

- (c) There is no significant concentration of revenue from any major customers as the Group's revenue is contributed by various customers.

NOTE TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
(CONT'D.)



32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, lease obligations, trade and other payables, less cash and bank balances. Capital represents the total equity.

The debt to capital ratio as at 31 December 2025 and 2024 are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Borrowings (Note 23)	61,093	62,739	29,278	28,887
Lease obligations (Note 14)	507	624	94	175
Trade and other payables (Note 22)	29,196	31,871	15,643	15,364
Less: Cash and bank balances (Note 21)	(41,852)	(44,644)	(8,421)	(8,399)
Net debt	48,944	50,590	36,594	36,027
Total equity, representing total capital	84,966	78,592	34,499	57,236
Capital and net debt	133,910	129,182	71,093	93,263
Gearing ratio	0.37	0.39	0.51	0.39

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one Group or Company to another.

DISCLOSURE OF FINANCIAL DATA

For Shariah Screening



Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	Group	
	2025 (RM'000)	2024 (RM'000)
Total Income		
Revenue	109,894	102,013
Other income	1,795	1,970
Total	111,689	103,983
Total Assets	183,651	180,376

(B) Business Activities

Shariah Non-Compliant ActivitiesRemarks	Group	
	2025 (RM'000)	2024 (RM'000)
Not applicable	–	–
Total	–	–

(C) Component of Financial Position

(i) Cash Component

Islamic Account/InstrumentsRemarks	Group	
	2025 (RM'000)	2024 (RM'000)
Cash at bank (exclude cash in hand)	29,292	32,443
Cash in hand	154	142
Deposits with licensed bank	12,406	12,059
Investment in cash funds	3,998	4,895
Total	45,850	49,539
Conventional Account/Instruments		
Not applicable	–	–
Total	–	–

**DISCLOSURE OF FINANCIAL DATA
FOR SHARIAH SCREENING
(CONT'D.)**



(C) Component of Financial Position (Cont'd.)

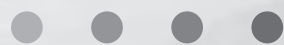
(ii) Debt Component

	Group	
	2025 (RM'000)	2024 (RM'000)
Islamic Financing		
Current		
Islamic Hire purchase payables	121	315
Bank overdrafts	19,271	18,599
Revolving credit and financing	22,072	23,270
Term financing	17,912	18,985
Trust receipt	1,694	1,427
Non-Current		
Islamic Hire purchase payables	23	143
Total	61,093	62,739
	Group	
	2025 (RM'000)	2024 (RM'000)
Conventional Borrowing		
Current		
Not applicable	-	-
Non-Current		
Not applicable	-	-
Total	-	-



07

Supplementary Information



STATISTICS OF SHAREHOLDINGS



AS AT 1 APRIL 2026

SHARE CAPITAL

Issued and paid-up share capital	: RM65,800,000.00 comprising 658,000,000 Ordinary shares
Class of shares	: Ordinary shares
Voting rights	: One (1) vote per Ordinary share
Number of shareholders	: 3,171
Number of Treasury Shares	: 2,628,900 Ordinary shares

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No. of shareholders	%	Shareholdings	%*
Less than 100	142	4.478	671	0.000
100 to 1,000	864	27.247	540,489	0.082
1,001 to 10,000	848	26.742	4,829,114	0.737
10,001 to 100,000	943	29.738	38,588,868	5.887
100,001 to less than 5% of issued shares	372	11.731	300,266,222	45.816
5% and above of issued shares	2	0.063	311,145,736	47.476
Total	3,171	100.00	655,371,100	100.00

* Based on the total number of issued shares in the Company excluding 2,628,900 ordinary shares bought back by the Company and retained as treasury shares as at 1 April 2026.

SUBSTANTIAL SHAREHOLDERS

Name	Shareholdings			
	Direct Interest	%^	Deemed Interest	%^
Zaiyadal Sdn Bhd	257,140,836	39.235	-	-
ZSB Holdings Sdn Bhd (formerly known as ZKSB Holdings Sdn Bhd)	-	-	257,140,836@	39.235@
Zaid & Zaidah (L) Foundation	-	-	257,140,836~	39.235~
Zaid bin Abdullah	50,632,100	7.725	257,140,836*	39.235*
Zaidah binti Mohd Salleh	8,769,400	1.338	257,140,836*	39.235*

Note:-

- @ Deemed interest by virtue of its interest in Zaiyadal Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- ~ Deemed interest by virtue of its interest in ZSB Holdings Sdn Bhd (formerly known as ZKSB Holdings Sdn Bhd) pursuant to Section 8 of the Companies Act 2016.
- * Deemed interest by virtue of his/her interest in Zaid & Zaidah (L) Foundation pursuant to Section 8 of the Companies Act 2016.
- ^ Based on the total number of issued shares in the Company excluding 2,628,900 ordinary shares bought back by the Company and retained as treasury shares as at 1 April 2026.

●● DIRECTORS' INTEREST IN SHARES

As per the Register of Directors' Shareholdings

Name	Direct interest	% [^]	Deemed & indirect interest	% [^]
Zaid bin Abdullah	50,632,100	7.725	257,649,336*	39.314*
Zaidah binti Mohd Salleh	8,769,400	1.338	257,649,336*	39.314*
Datuk Syed Hisham bin Syed Wazir	-	-	-	-
Dato' Hajjah Rosnani binti Ibarahim	-	-	-	-
Dato' Dr. Lukman bin Ibrahim	-	-	2,500,000	0.381
Kamarul Baharin bin Albakri	-	-	-	-
Professor Dato' Ir. Dr. Mohd Hamdi bin Abd Shukor	-	-	-	-
Dato' Seri Rosman bin Mohamed	-	-	-	-
Usamah bin Zaid (Alternate Director to Zaid bin Abdullah)	112,000	0.017	-	-
Fatimah Zahrah binti Zaid (Alternate Director to Zaidah binti Mohd Salleh)	110,300	0.016	-	-

Note:-

* Deemed interest by virtue of his/her interest in Zaid & Zaidah (L) Foundation and indirect interests in respect of the shareholdings held by his/her children pursuant to the Companies Act 2016.

[^] Based on the total number of issued shares in the Company excluding 2,628,900 ordinary shares bought back by the Company and retained as treasury shares as at 1 April 2026.

●● THIRTY LARGEST SHAREHOLDERS

No.	Name	Holdings	%*
1	Zaiyadal Sdn Bhd	240,190,122	36.649
2	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Bank of Singapore Limited (Foreign)	54,004,900	8.240
3	Kal-Yadaiin Sdn Bhd	28,813,078	4.396
4	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Zaid bin Abdullah (MI0079)	25,497,000	3.890
5	Zaid bin Abdullah	25,135,100	3.835
6	Zaiyadal Sdn Bhd	14,285,714	2.179
7	Beyond Expatriate Advisory (MM2H) Sdn Bhd	13,857,143	2.114
8	Syed Abu Hussin bin Hafiz Syed Abdul Fasal	7,389,200	1.127
9	Zaidah binti Mohd Salleh	7,063,400	1.077
10	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Mohammed Amin bin Mahmud (MM1004)	6,895,200	1.052
11	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ab Ghaus Bin Ismail	6,079,600	0.927
12	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Ng Geok Wah (BBRKLANG-CL)	4,428,000	0.675
13	Nik Abdul Aziz bin Nik Sulaiman	4,323,235	0.659
14	Yeu Swee Hing	3,973,100	0.606
15	Tay Hua Lee	3,720,000	0.567
16	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd for Lau Teik Cheng	3,200,000	0.488
17	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Boon Chai	2,670,000	0.407

No.	Name	Holdings	%*
18	Zaiyadal Sdn Bhd	2,665,000	0.406
19	Lim Yuen Sing	2,600,000	0.396
20	Toh Wee Keng	2,598,700	0.396
21	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Ken Hiung (6000824)	2,500,000	0.381
22	LI Commerce Sdn Bhd	2,500,000	0.381
23	Lai Siew Min	2,044,900	0.312
24	Ng Chor Yee	2,000,000	0.305
25	Yong Kwa Loong	1,998,500	0.304
26	Tee Jen Tong	1,850,000	0.282
27	Ahmad Ridzwan bin Mohd Salleh	1,820,075	0.277
28	Rosdi bin Nordin	1,810,000	0.276
29	Amnah binti Shaari	1,733,143	0.264
30	Zaidah binti Mohd Salleh	1,696,000	0.258

Note:-

* Based on the total number of issued shares in the Company excluding 2,628,900 ordinary shares bought back by the Company and retained as treasury shares as at 1 April 2026.

NOTICE OF THE ANNUAL GENERAL MEETING



PROGRESSIVE IMPACT CORPORATION BERHAD
199001011782 (203352-V)
(Incorporated in Malaysia)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting of the Company will be conducted physically at Velocity Room, Ground Floor, Mercu PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia (“Venue”) on Wednesday, 24 June 2026 at 10.00 a.m. or at any adjournment thereof, to transact the following businesses:-

ORDINARY BUSINESSES

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors’ and Auditors’ Reports thereon. (Please refer to Note 1 of the Explanatory Notes)
2. To re-elect Datuk Syed Hisham bin Syed Wazir, who shall retire by rotation pursuant to Clause 76(3) of the Constitution of the Company, as Director. Ordinary Resolution 1
3. To re-elect Zaidah binti Mohd Salleh, who shall retire by rotation pursuant to Clause 76(3) of the Constitution of the Company, as Director. Ordinary Resolution 2
4. To re-elect Dato’ Dr. Lukman bin Ibrahim, who shall retire by rotation pursuant to Clause 76(3) of the Constitution of the Company, as Director. Ordinary Resolution 3
5. To approve the Non-Executive Directors’ fees of RM236,400 for the period commencing from the date immediately after the 34th Annual General Meeting up to the date of the next Annual General Meeting to be held in 2027. Ordinary Resolution 4
6. To approve the Directors’ benefits of RM304,000 for the period commencing from the date immediately after the 34th Annual General Meeting up to the date of the next Annual General Meeting to be held in 2027. Ordinary Resolution 5
7. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and authorise the Directors to fix their remuneration. Ordinary Resolution 6

SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions, with or without modifications, as ordinary resolutions of the Company:-

8. ORDINARY RESOLUTION

PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 28 April 2026 (“the Related Parties”) provided that such transactions are:-

Ordinary
Resolution 7

- a) necessary for the day-to-day operations;
- b) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
- c) not detrimental to the minority shareholders of the Company,

(“Proposed Renewal of Shareholders' Mandate”).

THAT such approval, shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate.”

9. ORDINARY RESOLUTION

PROPOSED RENEWAL OF THE AUTHORITY TO THE COMPANY TO PURCHASE UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

Ordinary
Resolution 8

- a) the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and

- b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- a) the conclusion of the next AGM of the Company following this AGM at which this resolution is passed, at which time the authority shall lapse unless by ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions; or
- b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) to cancel all or part of the Purchased Shares;
- (ii) to retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) to distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) to resell all or part of the treasury shares;
- (v) to transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) to transfer all or part of the treasury shares as purchase consideration;
- (vii) to sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- (viii) to deal with the treasury shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

10. **ORDINARY RESOLUTION
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND
76 OF THE COMPANIES ACT 2016**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

Ordinary
Resolution 9

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By order of the Board
ZAIDAH BINTI MOHD SALLEH (MIA 3313)
SSM PC No. 202008000882

TAN KOK SIONG (LS0009932)
SSM PC No. 202008001592

TAN FONG SHIAN @ LIM FONG SHIAN (MAICSA 7023187)
SSM PC No. 201908004045

Company Secretaries

Shah Alam
28 April 2026

Notes:

1. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 16 June 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) Portal (“The Portal”) at <https://srmv.vistra.com>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via The Portal.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is Monday, 22 June 2026 at 10.00 a.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
13. Shareholders are advised to check the Company’s website at www.picorp.com.my and announcements from time to time for any changes to the administration of the 34th AGM.

Explanatory Notes on Ordinary Businesses

1. Agenda item no. 1 is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Ordinary Resolutions 1, 2, and 3

Pursuant to Clause 76(3) of the Constitution of the Company, Datuk Syed Hisham bin Syed Wazir, Zaidah binti Mohd Salleh and Dato' Dr. Lukman bin Ibrahim are due for retirement as Directors of the Company and being eligible, have offered themselves for re-election at this AGM (collectively referred to as "Retiring Directors").

The profile of the Directors standing re-election are set out in the Annual Report 2025. The details of their interest in the securities of the Company can be found under the Statistics of Shareholdings.

The Nomination and Remuneration Committee ("NRC") has considered the performance and contribution of the Retiring Directors through the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2025 ("BEE 2025"). In carrying out the assessment, the following factors were taken into consideration:

- (i) fit and proper assessment;
- (ii) contribution and performance; and
- (iii) calibre and personality.

The NRC also reviewed the tenure of the Directors and board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business.

The Retiring Director, Datuk Syed Hisham bin Syed Wazir, who is Independent Non-Executive Director ("INED") has provided his confirmation that he fulfils the independence criteria prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has also confirmed that he does not have any existing or potential conflict of interest, business, family or other special relationship within or outside of the Company that could affect the execution of his role as INED.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election at the NRC and Board meetings) supports the re-election of the Retiring Directors as it believes that the Retiring Directors have discharged their duties and responsibilities effectively, demonstrated commitment to their role, and will continue to make a strong contribution to the work of the Board and to the long-term sustainable success of the Company.

3. Ordinary Resolution 4

Shareholders' approval is sought under this Resolution to allow the Company to pay Non-Executive Directors' fees on a monthly basis for the period commencing from the date immediately after this AGM up to the date of the next AGM to be held in 2027 as members of the Board and board committees. The Directors' fees are based on the targeted Board size. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

4. Ordinary Resolution 5

The Directors' benefits are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period commencing from the date immediately after this AGM up to the date of the next AGM to be held in 2027. In the event the proposed amount is insufficient (due to enlarged Board size or more meetings), approval will be sought at the next AGM for the shortfall.

5. Ordinary Resolution 6

The Board has through the Audit Committee, considered the re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at this AGM are stated in the Corporate Governance Overview Statement of the Annual Report 2025.

Explanatory Notes on Special Businesses

1. Ordinary Resolutions 7

The proposed Resolutions, if passed, will enable the Company and/or its subsidiaries to renew its existing mandate to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 28 April 2026.

2. Ordinary Resolution 8

The proposed Resolution is intended to allow the Company to renew its existing authorisation to purchase its own shares up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Statement to Shareholders dated 28 April 2026 for further information.

3. Ordinary Resolution 9

This proposed Resolution, if passed, will empower the Directors to allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to the Statement accompanying the Notice of AGM for further information.

●● STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors standing for election

As at date of this notice, there are no individuals who are standing for election or appointment as Directors at the 34th Annual General Meeting.

General mandate for issue of securities

The proposed Ordinary Resolution 9 is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of the Notice of the 34th AGM, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 25 June 2025 and the mandate will lapse at the conclusion of the 34th AGM.

PROGRESSIVE IMPACT CORPORATION BERHAD
199001011782 (203352-V)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE 34TH ANNUAL GENERAL MEETING (“AGM”)

Date	:	Wednesday, 24 June 2026
Time	:	10.00 a.m.
Venue	:	Velocity Room, Ground Floor, Mercu PICORP Lot 10, Jalan Astaka U8/84 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan, Malaysia

REGISTRATION FOR THE 34TH AGM

1. Registration will start at 8.30 a.m. on the day of the 34th AGM up to the time of the commencement of the 34th AGM at 10.00 a.m.
2. Please produce your ORIGINAL Identity Card (“IC”) or Passport (for foreign shareholder) during registration for verification. Only original IC or Passport is valid for registration.
3. Please note that you are not allowed to register on behalf of another shareholder/proxy, even with the original IC or Passport of that other shareholder/proxy. Please make sure you collect your IC or Passport after the registration.
4. After verification and registration, you will be given an identification wristband. If you are attending the Meeting as a shareholder as well as proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. There is no replacement in the event that you lose/misplace the identification wristband.
5. After registration and signing on the Attendance List, please vacate the registration area.
6. The registration counter will only handle verification of shareholdings and registration. For other clarification or query, you may proceed to the Help Desk.

HELP DESK

The Help Desk will address all clarifications and inquiries regarding the Meeting.

APPOINTMENT OF PROXY OR ATTORNEY OR BY AUTHORISED REPRESENTATIVE

1. Only members whose names appear on the Record of Depositors as at 16 June 2026 shall be eligible to attend, speak and vote at the 34th AGM or appoint proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
2. In view that the 34th AGM will be conducted physically, members may appoint the Chairman of the Meeting as their proxy and indicate the voting instruction in the Form of Proxy.
3. If you wish to participate in the 34th AGM yourself, please do not submit any Form of Proxy for the 34th AGM. Your proxy appointed by you will not be allowed to participate in the 34th AGM together with you. Only one (1) of you will be allowed to attend and vote at the meeting.
4. Accordingly, proxy form and/or documents relating to the appointment of proxy/attorney/authorised representative for the 34th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner and must be received by the Company not less than forty-eight (48) hours before the time set for the 34th AGM or not later than Monday, 22 June 2026 at 10.00 a.m.:

(i) Hard Copy Lodgement of Proxy Form

In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop-in box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) Electronic Lodgement of Proxy Form

All members can have the option to submit proxy forms electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") and the procedures are summarised below:

Procedure		Action
STEPS FOR INDIVIDUAL SHAREHOLDERS		
(a)	Register as a User at The Portal	<ul style="list-style-type: none">• Visit the website at https://smy.vistra.com• Click "Register" and select "Individual Holder" and complete the New User Registration Form.• For guidance, you may refer to the tutorial guide available on the homepage.• Once registration is completed, you will receive an email notification to verify your registered email address.• After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved.• Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing user with The Portal or our TIIH Online portal previously, you are not required to register again.</i></p>
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none">• After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.• Select the corporate event: "PICORP 34TH AGM - Submission of Proxy Form".• Read and agree to the Terms & Conditions and confirm the Declaration.• Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.• Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy.• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your vote.• Review and confirm your proxy(ies) appointment.• Print proxy form for your record.
STEPS FOR CORPORATION OR INSTITUTIONAL SHAREHOLDERS		
(a)	Register as a User at The Portal	<ul style="list-style-type: none">• Visit the website at https://smy.vistra.com• Click "Register" and select "Representative or Corporate Holder" and complete the New User Registration Form.• Complete the registration form with your personal details.• Once registration is completed, you will receive an email notification to verify your registered email address.

(b) Proceed with submission of form of proxy

- After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved.
- Once you receive the confirmation, activate your account by creating your password.

Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the persons stated under “ENQUIRY” section below if you need clarifications on the user registration.

- Login to <https://srmy.vistra.com> with your email address and password.
- Select the corporate event: “PICORP 34TH AGM– Submission of Proxy Form”.
- Navigate to the icon “>” at the end of the corporate event.
- Read and agree to the Terms and Conditions and confirm the Declaration.
- Select the corporate holder’s name.
- Proceed to download the submission file.
- Prepare the file for the appointment of proxy(ies) by inserting the required data.
- Proceed to upload the duly completed proxy appointment file.
- Select “Confirm” to complete your submission.
- Print the confirmation report of your submission for your record.

VOTING AT MEETING

1. In accordance with Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the voting at the **34th AGM** will be conducted by poll. The Company has appointed Tricor as Poll Administrator to conduct the poll voting electronically (e-voting) via Tricor e-Vote application and an Independent Scrutineer to conduct the polling process and verify the results of the poll.
2. During the **34th AGM**, the Chairman will invite the Poll Administrator to brief you on the poll procedure.
3. Upon completion of the voting session for the **34th AGM**, the Scrutineers will verify and announce the poll results followed by the Chairman’s declaration whether the resolutions are carried.

RESULTS OF THE VOTING

The motions proposed at the AGM and the results of the voting will be announced at the AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

ANNUAL REPORT

1. The Annual Report is available on the Company’s website at www.picorp.com.my and Bursa Securities’ website at www.bursamalaysia.com under Company’s announcements.
2. You may request for a printed copy of the Annual Report at <https://srmy.vistra.com> by selecting “Request for Annual Report” under the “Investor Services”.
3. Kindly consider the environment before you decide to request for the printed copy of the Annual Report. Environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the **34th AGM**.

NO SMOKING POLICY

A no smoking policy is maintained in the Meeting hall. Your co-operation is much appreciated.

ENQUIRY

If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Email	:	is.enquiry@vistra.com
Contact person	:	Mr Low Cheng Chuan +603-2783 9078 (cheng.chuan.low@vistra.com)

Note: The Board reserves the right and may at its discretion make any changes to the above arrangements in the event of any unforeseen circumstances.

This page has been intentionally left blank

PROGRESSIVE IMPACT CORPORATION BERHAD
199001011782 (203352-V)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held

CDS Account No.											
			-			-					

I/We _____ Tel: _____
[Full name in block and as per NRIC/passport, NRIC/Passport/Company No.]
of _____
[Full address]

being member(s) of **Progressive Impact Corporation Berhad**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

^and/or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing ^him/her, the Chairman of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the 34th Annual General Meeting (“AGM”) of the Company which will be conducted physically at Velocity Room, Ground Floor, Mercu PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia (“Venue”) on Wednesday, 24 June 2026 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

Ordinary Resolution	Description of Resolutions	For	Against
1	Re-election of Datuk Syed Hisham bin Syed Wazir as Director		
2	Re-election of Zaidah binti Mohd Salleh as Director		
3	Re-election of Dato’ Dr. Lukman bin Ibrahim as Director		
4	Payment of Non-Executive Directors’ fees for the period commencing from the date immediately after the 34th AGM up to the date of the next AGM to be held in 2027		
5	Payment of Directors’ benefits for the period commencing from the date immediately after the 34th AGM up to the date of the next AGM to be held in 2027		
6	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company and authority to the Directors to fix their remuneration		
7	Proposed Renewal of the Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
8	Proposed Renewal of the Authority to the Company to purchase up to 10% of the total number of issued shares in the Company		



Ordinary Resolution	Description of Resolutions	For	Against
9	Authority to issue and allot shares pursuant to Section 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____ 2026

Signature*
Member

^ Delete whichever is inapplicable

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. *For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 16 June 2026. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM.*
2. *A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.*
4. *If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the listing requirements of the stock exchange.*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via The Portal.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is **Monday, 22 June 2026 at 10.00 a.m.**
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
13. Shareholders are advised to check the Company's website at www.picorp.com.my and announcements from time to time for any changes to the administration of the 34th AGM.



Fold this flap for sealing

Then fold here



Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st fold here



Moving forward, we continue our journey through Solution Leadership with a Servant Heart — leading with science and guided by purpose. Committed to delivering trusted environmental, monitoring, and laboratory solutions with empathy and responsibility, we uphold that true leadership is rooted in service and stewardship. Strengthened by technology, sustainability, and shared values, we remain Aligned for Excellence — working in unity with our teams, clients, and partners to transform environmental challenges into measurable progress for a cleaner, safer, and more sustainable world.