PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2026
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2026 RM'000	Preceding year Corresponding Quarter 30.9.2025 RM'000	+/(-)	Current Year To Date 30.9.2026 RM'000	Preceding year Corresponding Period 30.9.2025 RM'000	+/(-)
Revenue	27,949	28,040	(0.00)	78,887	80,703	(0.02)
Cost of sales	(8,370)	(7,985)		(24,652)	(25,369)	
Gross profit	19,579	20,055	(0.02)	54,235	55,334	(0.02)
Profit income	(3)	112		249	324	
Other income	139	259		1,871	894	
Staff costs	(7,438)	(6,946)		(22,077)	(22,011)	
Depreciation and amortisation	(1,826)	(1,779)		(5,076)	(5,261)	
Other operating expenses	(3,820)	(3,343)		(10,017)	(11,425)	
Profit from operations	6,631	8,358	(0.21)	19,185	17,855	0.07
Finance costs	(1,460)	(1,378)		(4,050)	(4,169)	
Profit before tax	5,171	6,980	(0.26)	15,135	13,686	0.11
Income tax expense	(1,452)	(3,412)		(4,834)	(5,535)	
Profit net of tax	**3,719**	**3,568**	0.04	**10,301**	**8,151**	0.26
Other comprehensive income:						
Foreign currency translation	(5)	(1,482)		(1,268)	(1,158)	
Total comprehensive income for the period	**3,714**	**2,086**	0.78	**9,033**	**6,993**	0.29
Net Profit/(Loss) attributable to:						
Owners of the parent	1,143	490	(1.33)	3,344	20	166.20
Minority interest	2,576	3,078	(0.16)	6,957	8,131	(0.14)
	3,719	**3,568**	0.04	**10,301**	**8,151**	0.26

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2026
(The figures have not been audited)
(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2026 RM'000	Preceding year Corresponding Quarter 30.9.2025 RM'000	+/(-)	Current Year To Date 30.9.2026 RM'000	Preceding year Corresponding Period 30.9.2025 RM'000	+/(-)
Total comprehensive income/(loss) attributable to :						
Owners of the parent	1,138	(992)	2.15	2,076	(1,138)	2.82
Minority interest	2,576	3,078	(0.16)	6,957	8,131	(0.14)
	3,714	**2,086**	0.78	**9,033**	**6,993**	0.29
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen)	**0.17**	**0.07**		**0.51**	**0.00**	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026
(The figures have not been audited)

	Unaudited 30.9.2026 RM'000	Audited 31.12.2025 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,092	44,832
Investment properties	33,294	33,812
Goodwill on consolidation	6,952	6,952
Deferred tax assets	3,497	3,517
Other receivables	12	12
	87,847	89,125
Current assets		
Inventories	107	107
Trade and other receivables	44,871	43,172
Contract assets	2,158	2,124
Contract costs	3,303	3,051
Tax recoverable	211	222
Other current financial assets	3,782	3,998
Cash and bank balances	50,757	41,852
	105,189	94,526
TOTAL ASSETS	193,036	183,651
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(2,415)	(1,147)
Accumulated losses	(13,825)	(17,169)
	49,366	47,290
Non-controlling interest	42,173	37,676
Total equity	91,539	84,966
Non-current liabilities		
Retirement benefit obligation	918	1,123
Deferred tax liabilities	2,685	2,685
Lease obligations	328	70
Borrowings	102	23
Other payables	2,255	2,247
	6,288	6,148
Current liabilities		
Trade and other payables	30,743	26,949
Contract liabilities	349	126
Lease obligations	155	437
Borrowings	60,810	61,070
Retirement benefit obligation	275	455
Income tax payable	2,877	3,500
	95,209	92,537
Total Liabilities	101,497	98,685
TOTAL EQUITY AND LIABILITIES	193,036	183,651
Net assets per share attributable to equity holders of the parent (RM)	0.08	0.07

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2026
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non controlling Interest RM'000	Total Equity RM'000
At 1 January 2025	65,970	(364)	(2,301)	(18,862)	44,443	34,149	78,592
Total comprehensive income/ (loss) for the year	-	-	(1,158)	20	(1,138)	8,131	6,993
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)
At 30 September 2025	**65,970**	**(364)**	**(3,459)**	**(18,842)**	**43,305**	**39,820**	**83,125**
At 1 January 2026	65,970	(364)	(1,147)	(17,169)	47,290	37,676	84,966
Total comprehensive income/ (loss) for the year	-	-	(1,268)	3,344	2,076	6,957	9,033
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)
At 30 September 2026	**65,970**	**(364)**	**(2,415)**	**(13,825)**	**49,366**	**42,173**	**91,539**

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2026
(The figures have not been audited)

	Cumulative Current Year To Date 30.9.2026 RM'000	Cumulative Corresponding Period 30.9.2025 RM'000
Cash flows from operating activities		
Profit before tax	15,135	13,686
Adjustments for :		
Depreciation of property, plant and equipment	4,558	4,725
Amortisation of investment properties	518	536
Provision for retirement benefit obligations	35	183
(Gain)/loss on disposal of property, plant and equipment	(981)	(1)
Impairment/(reversal of impairment) of trade receivables	134	1
Fair value gain on other current financial assets	(9)	-
Unrealised loss from foreign exchange	(1,052)	1,529
Finance cost	4,050	4,169
Profit income from deposits	(358)	(324)
Operating profit before working capital changes	22,030	24,504
Working capital changes :		
Contract customers	(64)	-
Receivables	(1,833)	(4,184)
Payables	3,896	(1,474)
Cash generated from operations	24,029	18,846
Retirement benefit obligation paid	(457)	(428)
Taxation (paid)/refund	(5,457)	(2,784)
Net cash generated from operating activities	18,115	15,634
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	981	735
Net withdrawal of unit trust/short term placement	150	520
Purchase of property plant and equipment	(3,983)	(10,393)
Profits received from deposits	357	324
(Placement)/withdrawal of deposits pledged	(698)	(43)
Net cash used in investing activities	(3,193)	(8,857)
Cash flows from financing activity		
Net drawdown/(repayment) of borrowings	(756)	(960)
Dividend paid to non-controlling interest	(2,460)	(2,460)
Financing cost paid	(4,050)	(4,169)
Lease payment	(24)	(342)
Net cash used in financing activity	(7,290)	(7,931)
Net increase in cash and cash equivalents	7,632	(1,154)
Cash and cash equivalents at 1 January 2026/2025	11,193	13,985
Cash and cash equivalents at 30 September 2026/2025	18,825	12,831
Cash and cash equivalents :		
Cash and bank balances	50,757	44,038
Overdraft	(19,174)	(19,104)
	31,583	24,934
Less: Restricted deposits	(12,758)	(12,103)
	18,825	12,831

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Corporate information

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

The condensed consolidated interim financial statements were approved by the Board of Directors on 24 November 2026.

A2. Basis of preparation

The consolidated condensed interim financial information for the period ended 30 September 2026 is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 "Interim financial reporting" issued by the Malaysian Accounting Standards Board (MASB), Appendix 9B (Part A) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements") and the requirements of the Companies Act, 2016 in Malaysia. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2025, which have been prepared in accordance with MFRS, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

Effective for Annual periods commencing on or after 1 January 2026

The Group has adopted the following Amendments to MFRSs mandatory for annual periods beginning on or after 1 January 2026.

	Effective for annual period beginning on or after
Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 *Amendments that are part of Annual Improvement - Volume 11*	1 January 2026
Amendments to MFRS 9 and MFRS 7 Contract Referencing Nature - Dependent Electricity	1 January 2026

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

MFRSs and Amendments to MFRS issued but not yet effective

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

MRFSs and amendments to MFRSs	**Effective for annual period beginning on or after**
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 and Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2025.

A4. Changes in estimates

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

A5. Changes in composition of the Group

No changes in composition of the Group for the quarter ended 30 September 2026.

A6. Segment information

30 September 2026	**Environmental Monitoring, Consultancy & Services**	**Lab Testing Services**	**Others***	**Elimination**	**Cumulative Quarter Year To Date 30.9.2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Segment Revenue					
External revenue	20,974	55,713	2,200	-	78,887
Inter- segment revenue	144	545	3,732	(4,421)	-
Total revenue	21,118	56,258	5,932	(4,421)	78,887
Segment Results					
Segment profit/(loss) from operations	799	21,412	2,015	(5,041)	19,185
Finance cost	(3,782)	(84)	(1,730)	1,546	(4,050)
Income tax expense	(111)	(4,723)	-	-	(4,834)
Profit net of tax					10,301
Non-controlling interest					(6,957)
Net profit for the year					3,344

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

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

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

A7. Seasonality or cyclicality

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

A8. Profit before taxation

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2026 RM'000	30.9.2025 RM'000	30.9.2026 RM'000	30.9.2025 RM'000
Profit before taxation is arrived at after charging:				
Zakat	170	135	310	405

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2026 RM'000	30.9.2025 RM'000	30.9.2026 RM'000	30.9.2025 RM'000
Tax expense :				
- Malaysia Income Tax	2,705	3,359	4,387	5,364
- Foreign Tax	165	106	447	171
- Deferred Tax	-	-	-	-
	2,870	3,465	4,834	5,535
Effective tax rate			32%	40%

The effective tax rate for 2026 and 2025 is higher than the statutory income tax rate of 24% .This is due to the losses incurred by the subsidiary companies which has lowered the basis for the computation of the effective tax rate.

A10. Earnings per share

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

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2026	30.9.2025	30.9.2026	30.9.2025
Profit/(Loss) for the period (RM'000)	1,143	490	3,344	20
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	0.17	0.07	0.51	0.00

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

A11. Valuation of property, plant and equipment

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

A12. Interest bearing loans and borrowings

	30.9.2026 RM'000	31.12.2025 RM'000
Short term borrowings		
Hire purchase	195	121
Overdraft	19,174	19,271
Revolving Credit	22,541	22,072
Term loan	17,991	17,912
Trust receipt	909	1,694
	60,810	61,070
Long term borrowings		
Hire purchase	102	23
	102	23
Total borrowings	60,912	61,093

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

A13. Trade receivables

	30.9.2026 RM'000	31.12.2025 RM'000
Trade and other receivable	44,871	43,172

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	30.9.2026 RM'000	31.12.2025 RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	516	1,975
	516	1,975

A16. Contingent liabilities and contingent assets

There were no material changes in the contingent liabilities and contingent assets since the last audited financial statements for the financial period ended 30 September 2026.

A17. Related party transactions

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2026.

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

Share buybacks/ Treasury shares of the Company

	30.9.2026 RM'000	31.12.2025 RM'000
As at 1 January	364	364
Share buyback	-	-
As at 30 September/31 December	364	364

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

B1. Performance review

Review of Group Performance

	Current Year To Date 30.9.2026 RM'000	Preceding Year Corresponding Period 30.9.2025 RM'000	Changes Amount RM'000	Changes +/(-)
Revenue				
Environmental monitoring, consultancy & services	21,118	20,231	887	0.04
Lab testing services	56,258	58,791	(2,533)	(0.04)
Corporate holding and Elimination	1,511	1,681	(170)	(0.10)
	78,887	80,703	(1,816)	(0.02)
Segment results				
Environmental monitoring, consultancy & services	799	(2,438)	3,237	1.33
Lab testing services	21,412	23,546	(2,134)	(0.09)
Corporate holding and Elimination	(3,026)	(3,253)	227	0.07
Profit from operations	19,185	17,855	1,330	0.07
Finance charges	(4,050)	(4,169)	119	0.03
Profit before tax	15,135	13,686	1,449	0.11
Tax expense	(4,834)	(5,535)	701	0.13
Profit net of tax	10,301	8,151	2,150	0.26
Non controlling interest	(6,957)	(8,131)	1,174	0.14
Profit/(Loss) attributable to owners of the Company	3,344	20	3,324	166.20

1.1 **Segments Background:**

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

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

1.2 **Group and Segments Analysis**

Group Analysis:

The Group recorded a marginal decrease in revenue of RM1.8 million compared to the preceding year corresponding period, mainly due to lower contributions from the lab testing services segment. Notwithstanding this, the Group's profit from operations improved by RM1.3 million, supported by higher gross profit and improved margins in the lab testing services segment, with the Group's gross margin maintained at 69% compared to the preceding year corresponding period.

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

a) **Environmental monitoring, consultancy & services**

Environmental monitoring, consultancy and services segment contributed 27% from the total Group revenue in the current period, increased by 2% from the preceding year corresponding quarter's contribution.

B1. Performance review (cont'd.)

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

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

The segment's revenue increased by 4% or RM0.887 mil compared to the PY corresponding period, mainly driven by higher revenue generated by the Malaysian operations. The segment's operating profit improved by more than 100% to profit of RM0.799 mil from a loss of RM2.438 mil in the PY corresponding period. This was primarily driven by the turnaround in the Saudi operations, which recorded a profit compared to a loss in the PY corresponding period, as well as reduced losses in the Malaysian operations, supported mainly by lower OPEX and higher other income.

b) **Lab testing services**

Lab testing services segment remained the Group's largest revenue contributor, accounting for 71% of the total Group revenue, although revenue contribution decreased by 2% from the PY corresponding period.

The segment's revenue decreased marginally by 4% or RM2.5 million compared to the preceding year corresponding period, attributed by lower revenue from the Malaysian and Indonesian operations. The segment's profit from operations decreased by 9% or RM2.1 million compared to the preceding year corresponding period, mainly due to lower gross profit generated by the Malaysian and Indonesian operations.

The Group's profit after tax increased by 26% from RM8.2 million to RM10.3 million in the preceding year corresponding period, mainly supported by the strong performance of the environmental monitoring, consultancy and services segment. Moving forward, the Group will continue to implement turnaround initiatives for the EMCS segment, focusing on cost rationalization, improved project execution and tighter operational controls. At the same time, the Group remains committed to strengthening its core segments through service quality enhancements, strategic market expansion and operational efficiency improvements, to support sustainable growth and long-term profitability.

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

	Individual Quarter			
	Current Quarter 30.9.2026 RM'000	**Preceding Quarter 30.6.2026 RM'000**	**Changes Amount RM'000**	**Changes +/(-)**
Revenue				
Environmental monitoring, consultancy & services	7,746	7,447	299	0.04
Lab testing services	19,660	18,444	1,216	0.07
Corporate holding and Elimination	543	601	(58)	(0.10)
	27,949	26,492	1,457	0.05
Segment results				
Environmental monitoring, consultancy & services	484	133	351	2.64
Lab testing services	7,825	6,794	1,031	0.15
Corporate holding and Elimination	(1,678)	(830)	(848)	(1.02)
Profit from operations	6,631	6,097	534	0.09
Finance charges	(1,460)	(1,180)	(280)	(0.24)
Profit before tax	5,171	4,917	254	0.05
Tax expense	(1,452)	(1,418)	(34)	(0.02)
Profit net of tax	3,719	3,499	220	0.06
Non controlling interest	(2,576)	(2,276)	(300)	(0.13)
Profit attributable to owners of the Company	1,143	1,223	(80)	(0.07)

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

2.1 Group and Segments Analysis

Group Analysis:

The Group's revenue increased by RM1.5 million as compared to the preceding quarter ended 30 September 2026, attributed by higher revenue recorded by all the segments except in corporate holding and elimination. Consequently, the Group's profit from operations has increased by 9% or RM0.5 million from the preceding quarter, resulting from higher contributions from all the segments.

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

a) **Environmental monitoring, consultancy & services**

Environmental monitoring, consultancy and services segment contributed 28% to the Group's total revenue in the current quarter, maintaining the same contribution as the preceding quarter. The segment's revenue increased by 4% or RM0.3 million, due to higher revenue from the Saudi operations. The segment reported a profit from operations of RM0.5 million, an increase of more than 100% from the profit of RM0.1 million recorded in the preceding quarter. This was mainly due to improved operating performance from both the Malaysian and Saudi operations.

b) **Lab testing services**

Lab testing services segment contributed 72% of the total Group revenue, increased by 2% from the preceding quarter's revenue contribution of 70%. The segment's revenue increased by 8% or RM1.5 million from the preceding quarter, primarily due to higher revenue generated by the Malaysian operations. The segment's profit from operations increased by 15% compared to the preceding quarter, mainly due to higher gross profit from the Malaysian and Indonesian operations.

B3. Commentary on prospects

Global economic activity has remained resilient despite persistent geopolitical tensions, trade disruptions and economic uncertainties, supported by technological advancements and adaptive measures. According to the IMF, global economic growth is projected to moderate to 3.1% in 2026 before recovering to 3.4% in 2027, while global headline inflation is expected to rise to 4.7% in 2026 before easing to 4.1% in 2027. Nevertheless, downside risks remain, including escalating geopolitical conflicts, renewed trade tensions, fiscal vulnerabilities and uncertainties surrounding AI-related investments, while stronger AI-driven productivity gains and easing geopolitical tensions could support higher growth.

Malaysia's economy continues to demonstrate resilience, supported by sustained domestic demand, stronger exports and robust economic fundamentals. According to the Fifth MADANI Budget 2027, GDP growth is projected at 4.8%–5.3% in 2026 and 4.2%–5.2% in 2027, driven by sustained private consumption, continued public and private investments, strong E&E demand supported by the global semiconductor upcycle, and expanding tourism and digitalisation activities. Meanwhile, headline inflation is projected at 1.5%–2.5% in 2026 and 1.8%–2.8% in 2027, with targeted fuel subsidies, price-stabilisation measures and a relatively stable ringgit helping to contain inflationary pressures. Nevertheless, downside risks to economic growth and upside risks to inflation persist, particularly from escalating geopolitical tensions, global commodity price fluctuations, supply chain disruptions and slower growth among key trading partners.

B3. Commentary on prospects (cont'd.)

PICORP's turnaround strategy continues to deliver strong results, with profit before tax rising from RM14.1 million to RM15.4 million and profit after tax increasing from RM8.2 million to RM10.3 million, representing growth of over 10% compared to the preceding year's corresponding quarter. The Group also recorded a PATAMI of RM3.3 million for the current period, marking a significant improvement from RM0.02 million in the corresponding period of the previous year. These performance reflects enhanced operational efficiency, disciplined cost management, and effective execution of strategic initiatives under the turnaround plan. The Group remains confident in sustaining this positive momentum in the coming quarters.

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

With the continued execution of the enhanced EMCS turnaround plan, the Group expects further performance improvements in 2026 and beyond, barring unforeseen disruptions or significant market shifts amid prevailing geopolitical risks.

B4. Profit forecast or profit guarantee

There were no profit forecasts or profit guarantees issued by the Group.

B5. Corporate proposals

There were no corporate proposals announced by the Group during the current quarter.

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

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 September 2026.

B7. Off Balance Sheet Financial Instruments

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

B8. Changes in Material Litigation

There is no material litigation in the current quarter.

B9. Dividend

The Company does not recommend any payment of dividend in respect of the financial year ended 31 December 2025.

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2025 was not qualified.

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

Shah Alam