

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter	Preceding year Corresponding Quarter	+ / (-)	Current Year To Date	Preceding year Corresponding Period	+ / (-)
	31.12.2022 RM'000	31.12.2021 RM'000		31.12.2022 RM'000	31.12.2021 RM'000	
Revenue	24,249	24,138	0.00	90,354	92,022	(0.02)
Cost of sales	(11,646)	(10,948)		(43,116)	(39,531)	
Gross profit	<u>12,603</u>	<u>13,190</u>	(0.04)	<u>47,238</u>	<u>52,491</u>	(0.10)
Profit income	202	111		659	416	
Other income	(2,659)	(45)		2,132	1,940	
Staff costs	(6,388)	(6,576)		(25,289)	(26,148)	
Depreciation and amortisation	(2,198)	(2,253)		(8,196)	(7,939)	
Other operating expenses	(2,966)	2,257		(13,468)	(12,988)	
Profit/(Loss) from operations	<u>(1,406)</u>	<u>6,684</u>	1.21	<u>3,076</u>	<u>7,772</u>	(0.60)
Finance costs	(1,322)	(1,832)		(3,957)	(3,962)	
Profit/(Loss) before tax	<u>(2,728)</u>	<u>4,852</u>	1.56	<u>(881)</u>	<u>3,810</u>	1.23
Income tax expense	(402)	(1,419)		(2,420)	(4,053)	
Profit/(Loss) net of tax	<u>(3,130)</u>	<u>3,433</u>	1.91	<u>(3,301)</u>	<u>(243)</u>	(12.58)
Other comprehensive income:						
Foreign currency translation	120	193		(2,456)	(69)	
Actuarial gain on retirement benefit	-	62		-	62	
Total comprehensive income for the period	<u>(3,010)</u>	<u>3,688</u>	1.82	<u>(5,757)</u>	<u>(250)</u>	(22.03)
Net Profit/(Loss) attributable to:						
Owners of the parent	(4,636)	3,223	2.44	(9,754)	(6,129)	(0.59)
Minority interest	1,506	210	(6.17)	6,453	5,886	(0.10)
	<u>(3,130)</u>	<u>3,433</u>	1.91	<u>(3,301)</u>	<u>(243)</u>	(12.58)

PROGRESSIVE IMPACT CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
 (The figures have not been audited)
 (CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter	Preceding year Corresponding Quarter	+ / (-)	Current Year To Date	Preceding year Corresponding Period	+ / (-)
	31.12.2022 RM'000	31.12.2021 RM'000		31.12.2022 RM'000	31.12.2021 RM'000	
Total comprehensive income attributable to :						
Owners of the parent	(4,079)	3,371	2.21	(11,773)	(6,243)	(0.89)
Minority interest	1,069	318	(2.36)	6,016	5,993	(0.00)
	<u>(3,010)</u>	<u>3,689</u>	1.82	<u>(5,757)</u>	<u>(250)</u>	(22.03)
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen) *	<u>(0.71)</u>	<u>0.49</u>		<u>(1.49)</u>	<u>(0.94)</u>	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(The figures have not been audited)

	Unaudited 31.12.2022 RM'000	Audited 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	39,406	44,995
Investment properties	35,911	36,626
Intangible assets	861	861
Deferred tax assets	5,042	2,376
	<u>81,220</u>	<u>84,858</u>
Current assets		
Inventories	57	77
Trade and other receivables	43,078	47,086
Contract assets	985	5,779
Tax recoverable	857	497
Other current financial assets	18,715	14,491
Cash and bank balances	32,195	30,572
	<u>95,887</u>	<u>98,502</u>
TOTAL ASSETS	<u>177,107</u>	<u>183,360</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(2,716)	(763)
Retained earnings	(11,773)	445
	<u>51,117</u>	<u>65,288</u>
Non controlling interest	31,302	31,211
Total equity	<u>82,419</u>	<u>96,499</u>
Non-current liabilities		
Retirement benefits obligation	1,745	1,834
Deferred tax liabilities	4,102	4,045
Lease obligations	104	34
Interest bearing loans and borrowings	293	1,026
	<u>6,244</u>	<u>6,939</u>
Current liabilities		
Trade and other payables	28,809	22,541
Lease obligations	96	74
Interest bearing loans and borrowings	58,129	55,888
Tax payable	1,410	1,419
	<u>88,444</u>	<u>79,922</u>
Total Liabilities	<u>94,688</u>	<u>86,861</u>
TOTAL EQUITY AND LIABILITIES	<u>177,107</u>	<u>183,360</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.08</u>	<u>0.10</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
(The figures have not been audited)

	← Attributable to owners of the company →						Non controlling Interest RM'000	Total Equity RM'000
	← Non Distributable →			Distributable		Total RM'000		
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000				
At 1 January 2021	65,970	(330)	(649)	8,540	73,531	30,510	104,041	
Total comprehensive income for the period	-	-	(114)	(6,129)	(6,243)	5,993	(250)	
Dividends paid	-	-	-	(1,966)	(1,966)	-	(1,966)	
Dividends payable to non-controlling interest	-	-	-	-	-	(5,292)	(5,292)	
Purchase of treasury shares	-	(34)	-	-	(34)	-	(34)	
At 31 December 2021	65,970	(364)	(763)	445	65,288	31,211	96,499	
At 1 January 2022	65,970	(364)	(763)	445	65,288	31,211	96,499	
Total comprehensive loss for the period	-	-	(1,994)	(10,252)	(12,246)	5,685	(6,561)	
Dividends paid	-	-	-	(1,966)	(1,966)	-	(1,966)	
Dividends payable to non-controlling interest	-	-	41	-	41	(5,594)	(5,553)	
At 31 December 2022	65,970	(364)	(2,716)	(11,773)	51,117	31,302	82,419	

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 2021.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
(The figures have not been audited)

	Cumulative Current Year To Date 31.12.2022 RM'000	Cumulative Corresponding Year 31.12.2021 RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation	(881)	3,810
Adjustments for :		
Depreciation and amortisation	8,196	7,939
Provision for retirement benefit obligations	350	164
Gain on disposal of property, plant & equipment (Reversal of impairment) / impairment of:	(138)	(22)
- trade receivables	712	(429)
- other receivables	(50)	100
Fair value gain on other current financial assets	(105)	(141)
Net unrealised foreign exchange (gain)/loss	(1,318)	(844)
Finance cost	3,957	3,962
Profit income from deposit	(659)	(416)
Operating profit before working capital changes	<u>10,064</u>	<u>14,123</u>
Working capital changes :		
Decrease in inventories	20	114
Decrease in receivable	6,064	541
Increase in payables	6,268	5,009
Cash generated from operations	<u>22,416</u>	<u>19,787</u>
Retirement benefit obligation paid	(502)	(253)
Taxation refund	-	98
Taxation paid	(4,337)	(5,707)
Net cash generated from operating activities	<u>17,577</u>	<u>13,925</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	858	127
Net placement of unit trust	(4,246)	35
Purchase of property plant and equipment	(3,355)	(8,610)
Profit received from deposits	659	416
(Placement)/withdrawal of deposits pledged	(1,122)	(2,275)
Net cash used in investing activities	<u>(7,206)</u>	<u>(10,307)</u>
Cash flows from financing activity		
Net drawdown of borrowings	1,413	4,224
Purchase of treasury shares	-	(34)
Dividend paid	(1,966)	(1,966)
Dividend paid to NCI	(5,594)	(5,593)
Financing cost paid	(3,957)	(1,455)
Lease payment	(117)	(77)
Net cash used in financing activity	<u>(10,221)</u>	<u>(4,901)</u>
Net increase in cash and cash equivalents	150	(1,283)
Cash and cash equivalents at 1 January 2022/2021	<u>2,620</u>	<u>3,903</u>
Cash and cash equivalents at 31 December 2022/2021	<u>2,770</u>	<u>2,620</u>
Cash and cash equivalents :		
Cash and bank balances	32,195	30,572
Overdraft	(18,409)	(18,058)
	<u>13,786</u>	<u>12,514</u>
Less: Restricted deposits	(11,016)	(9,894)
	<u>2,770</u>	<u>2,620</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Corporate information

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

The condensed consolidated interim financial statements were approved by the Board of Directors on 27 February 2023.

A2. Basis of preparation

The consolidated condensed interim financial information for the year ended 31 December 2022 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 2021, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

Effective for Annual periods commencing on or after 1 January 2022

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2022.

Annual Improvements to MFRS Standards 2018–2020 (MFRS 1 & MFRS 9)	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022

Adoption of the above MFRS and Amendments to MFRSs and Annual Improvement to Standards 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 MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group.

MFRSs and amendments to MFRSs	Effective for annual period beginning on or after
Insurance Contract (Amendments to MFRS 17 Insurance Contracts)	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021.

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.

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

A5. Changes in composition of the Group

No changes in the composition of group for quarter ended 31 December 2022.

A6. Segment information

<u>31 December 2022</u>	Environmental Monitoring, Consultancy & Services	Lab Testing Services	Others*	Elimination	Cumulative Quarter Year To Date 31.12.2022
	RM '000	RM '000	RM '000	RM '000	RM '000
External revenue	30,368	57,120	2,866	-	90,354
Inter- segment revenue	27	888	7,545	(8,460)	-
Total revenue	30,395	58,008	10,411	(8,460)	90,354
Segment Results					
Segment profit/(loss)					
from operations	(15,180)	20,345	5,708	(7,797)	3,076
Finance cost	(3,995)	(2)	(1,443)	1,483	(3,957)
Income tax expense	2,101	(4,517)	(4)	-	(2,420)
Loss net of tax					(3,301)
Non-controlling interest					(6,453)
Net loss for the period					(9,754)

<u>31 December 2021</u>	Environmental Monitoring, Consultancy & Services	Lab Testing Services	Others*	Elimination	Cumulative Quarter Year To Date 31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
External revenue	32,347	56,863	2,812	-	92,022
Inter- segment revenue	192	(9)	7,484	(7,667)	-
Total revenue	32,539	56,854	10,296	(7,667)	92,022
Segment Results					
Segment profit/(loss) from operations	(11,151)	21,932	4,039	(7,048)	7,772
Financing cost	(3,661)	(5)	(1,601)	1,305	(3,962)
Income tax expense	1,084	(5,276)	139	-	(4,053)
Loss net of tax					(243)
Non-controlling interest					(5,886)
Net loss for the period					(6,129)

* 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 segments environmental monitoring, consultancy and services and lab testing services.

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

A7. Seasonality or cyclicity

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

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

A8. Profit before taxation

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging:				
Zakat	302	71	601	403

A9. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Tax expense :				
- Malaysia Income Tax	436	887	3,742	3,719
- Foreign Tax	137	749	642	1,186
- Deferred Tax	(171)	(217)	(1,964)	(852)
	402	1,419	2,420	4,053
Effective tax rate			-275%	106%

The effective tax rate for 2022 and 2021 is higher/(lower) 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		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
(Loss)/Profit for the period (RM'000)	(4,636)	3,223	(9,754)	(6,129)
Number of ordinary shares of RM0.10 each in issue ('000)	655,371	655,631	655,371	655,631
Basic Earnings Per Share (sen)	(0.71)	0.49	(1.49)	(0.93)

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.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

A12. Interest bearing loans and borrowings

	31.12.2022	31.12.2021
	RM'000	RM'000
Short term borrowings		
Hire purchase	1,056	1,704
Overdraft	18,409	18,057
Revolving Credit	25,426	23,600
Term loan	12,612	10,172
Trust receipt	626	2,355
	<u>58,129</u>	<u>55,888</u>
Long term borrowings		
Hire purchase	293	1,026
	<u>293</u>	<u>1,026</u>
Total borrowings	<u>58,422</u>	<u>56,914</u>

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

A13. Trade receivables

	31.12.2022	31.12.2021
	RM'000	RM'000
Trade and Other receivable	43,078	47,086
	<u>43,078</u>	<u>47,086</u>

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	31.12.2022	31.12.2021
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	410	523
	<u>410</u>	<u>523</u>

A16. Contingent liabilities and contingent assets

There were no material changes in the contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 31 December 2022.

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 31 December 2022.

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

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

Share buybacks/ Treasury shares of the Company

	31.12.2022	31.12.2021
	RM'000	RM'000
As at 1 January	364	330
Share buyback	-	34
As at 31 December	<u>364</u>	<u>364</u>

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

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

B1. Performance review
Review of Group Performance

	Financial Year Ended 31.12.2022 RM'000	Financial Year Ended 31.12.2021 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental monitoring, consultancy & services	30,395	32,539	(2,144)	(0.07)
Lab testing services	58,008	56,854	1,154	0.02
Corporate holding and Elimination	1,951	2,629	(678)	(0.26)
	90,354	92,022	(1,668)	(0.02)
Segment results				
Environmental monitoring, consultancy & services	(15,180)	(11,151)	(4,029)	(0.36)
Lab testing services	20,345	21,932	(1,587)	(0.07)
Corporate holding and Elimination	(2,089)	(3,009)	920	0.31
Profit from operations	3,076	7,772	(4,696)	(0.60)
Finance charges	(3,957)	(3,962)	5	0.00
Profit/(Loss) before tax	(881)	3,810	(4,691)	1.23
Tax expense	(2,420)	(4,053)	1,633	0.40
Loss net of tax	(3,301)	(243)	(3,058)	(12.58)
Non controlling interest	(6,453)	(5,886)	(567)	(0.10)
Loss attributable to owners of the Company	(9,754)	(6,129)	(3,625)	(0.59)

1.1 Segments Background:

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

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

1.2 Group and Segments Analysis

Group Analysis:

The Group reported lower revenue compared to the preceding year mainly due to lower revenue from environmental monitoring, consultancy & services. The Group reported lower profit from operations by RM4.6 million as a results of lower revenue during the year.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

B1. Performance review (cont'd.)

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

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

Environmental monitoring, consultancy and services segment revenue contributed 34% of the total Group revenue.

The segment revenue has dropped by RM2.1 million compared to the preceding year due to lower revenue generated from Malaysia operations. Subsequently, loss from operations is higher by RM4.0 million due to higher cost of sales recorded in the current financial year.

b) **Lab testing services**

Lab testing services segment revenue contributed 64% of the total Group revenue.

For the period ended 31 December 2022, the segment recorded higher revenue by RM1.2 million but however its profit from operations was lower by RM1.6 million as compared to the preceding year.

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

	Individual Quarter		Changes Amount	Changes + / (-)
	Current Quarter 31.12.2022 RM'000	Preceding Quarter 30.09.2022 RM'000		
Revenue				
Environmental monitoring, consultancy & services	8,280	8,695	(415)	(0.05)
Lab testing services	15,500	14,474	1,026	0.07
Corporate holding and Elimination	469	502	(33)	(0.07)
	<u>24,249</u>	<u>23,671</u>	578	0.02
Segment results				
Environmental monitoring, consultancy & services	(4,172)	(3,337)	(835)	(0.25)
Lab testing services	4,450	5,359	(909)	(0.17)
Corporate holding and Elimination	(1,684)	(270)	(1,414)	5.24
Profit from operations	<u>(1,406)</u>	<u>1,752</u>	(3,158)	(1.80)
Finance charges	<u>(1,322)</u>	<u>(1,025)</u>	(297)	(0.29)
Profit before tax	<u>(2,728)</u>	<u>727</u>	(3,455)	(4.75)
Tax expense	<u>(402)</u>	<u>(669)</u>	267	0.40
Profit net of tax	<u>(3,130)</u>	<u>58</u>	(3,188)	(54.97)
Non controlling interest	<u>(1,506)</u>	<u>(1,694)</u>	188	0.11
Loss attributable to owners of the company	<u><u>(4,636)</u></u>	<u><u>(1,636)</u></u>	(3,000)	(1.83)

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

2.1 Group and Segments Analysis

Group Analysis:

The Group's revenue has improved by RM0.6 million compared to the preceding quarter ended 30 September 2022. The Group's profit from operations decreased by RM3.1 million compared to the preceding quarter ended 30 September 2022 mainly contributed by environmental monitoring, consultancy & services.

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

a) Environmental monitoring, consultancy & services

Environmental monitoring, consultancy and services reported lower revenue and higher loss from operations by RM0.4 million and RM0.8 million respectively compared to previous quarter ended 30 September 2022 due to lower revenue generation in the current quarter.

b) Lab testing services

Lab testing services segment reported higher revenue but lower profit from operations as compared to previous quarter ended 30 September 2022.

B3. Commentary on prospects

As the Malaysian economy is expected to expand at a more moderate pace amid a challenging external environment, with the balance of risks remains tilted to the downside, mainly from weaker global growth, tighter financial conditions, rising inflation rates, re-escalation of geopolitical conflicts and worsening supply chain disruptions (Bank Negara Malaysia announcement: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2022 dated 10th February 2023), we believe both our environmental monitoring, consultancy & services segment and lab testing services segment will generate moderate growth and continue to face challenges in the coming year.

In response, the management will continue to implement prudent measures in order to minimize any adverse impact to the organizational performance.

B4. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

B5. Corporate proposals

There were no corporate proposal issued by the group for quarter ended 31 December 2022.

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

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2022.

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 year.

PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 199001011782)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022
SELECTED EXPLANATORY NOTES

B9. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not qualified.

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

Shah Alam