

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

|  | Individual Quarter                     |   |         | Cumulative Quarter                             |  |         |
|--|--|---|---------|--|--|---------|
|  | Current Quarter<br>31.3.2022<br>RM'000 | Preceding year<br>Corresponding<br>Quarter<br>31.3.2021<br>RM'000 | + / (-) | Current Year<br>To Date<br>31.3.2022<br>RM'000 | Preceding year<br>Corresponding<br>Period<br>31.3.2021<br>RM'000 | + / (-) |
| Revenue  | 22,534                                 | 23,202  | (0.03)  | 22,534   | 23,202   | (0.03)  |
| Cost of sales                                    | (10,085)                               | (10,831)  |         | (10,085)                                       | (10,831)   |         |
| <b>Gross profit</b>                              | <u>12,449</u>                          | <u>12,371</u>   | 0.01    | <u>12,449</u>                                  | <u>12,371</u>  | 0.01    |
| Profit income                                    | 102                                    | 51  |         | 102  | 51   |         |
| Other income                                     | 582                                    | 237   |         | 582  | 237  |         |
| Staff costs                                      | (6,518)                                | (6,044)   |         | (6,518)  | (6,044)  |         |
| Depreciation and amortisation                    | (2,050)                                | (2,080)   |         | (2,050)  | (2,080)  |         |
| Other operating expenses                         | (2,887)                                | (2,224)   |         | (2,887)  | (2,224)  |         |
| <b>Profit from operations</b>                    | <u>1,678</u>                           | <u>2,311</u>  | (0.27)  | <u>1,678</u>                                   | <u>2,311</u>   | (0.27)  |
| Finance costs                                    | (819)                                  | (534)   |         | (819)  | (534)  |         |
| <b>Profit before tax</b>                         | <u>859</u>                             | <u>1,777</u>  | (0.52)  | <u>859</u>                                     | <u>1,777</u>   | (0.52)  |
| Income tax expense                               | (1,120)                                | (902)   |         | (1,120)  | (902)  |         |
| <b>Profit/(Loss) net of tax</b>                  | <u><b>(261)</b></u>                    | <u><b>875</b></u>   | (1.30)  | <u><b>(261)</b></u>                            | <u><b>875</b></u>  | (1.30)  |
| <b>Other comprehensive income:</b>               |  |   |         |  |  |         |
| Foreign currency translation                     | (473)                                  | (552)   |         | (473)  | (552)  |         |
| <b>Total comprehensive income for the period</b> | <u><b>(734)</b></u>                    | <u><b>323</b></u>   | (3.27)  | <u><b>(734)</b></u>                            | <u><b>323</b></u>  | (3.27)  |
| <b>Net Profit/(Loss) attributable to:</b>        |  |   |         |  |  |         |
| Owners of the parent                             | (1,643)                                | (179)   | 8.18    | (1,643)  | (179)  | 8.18    |
| Minority interest                                | 1,382                                  | 1,054   | 0.31    | 1,382  | 1,054  | 0.31    |
|  | <u><b>(261)</b></u>                    | <u><b>875</b></u>   | (1.30)  | <u><b>(261)</b></u>                            | <u><b>875</b></u>  | (1.30)  |

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 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 | + / (-) |
|   | 31.3.2022<br>RM'000 | 31.3.2021<br>RM'000                  |         | 31.3.2022<br>RM'000  | 31.3.2021<br>RM'000                 |         |
| <b>Total comprehensive income attributable to :</b>                   |                     |                                      |         |                      |                                     |         |
| Owners of the parent  | (1,433)             | (731)                                | (0.96)  | (1,433)              | (731)                               | 0.96    |
| Minority interest   | 699                 | 1,054                                | (0.34)  | 699                  | 1,054                               | (0.34)  |
|   | <u>(734)</u>        | <u>323</u>                           | (3.27)  | <u>(734)</u>         | <u>323</u>                          | (3.27)  |
| <b>Earning per share attributable to equity holders of the parent</b> |                     |                                      |         |                      |                                     |         |
| Basic earning per share (sen) *                                       | <u>(0.25)</u>       | <u>(0.03)</u>                        |         | <u>(0.25)</u>        | <u>(0.03)</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 MARCH 2022**  
**(The figures have not been audited)**

|   | <b>Unaudited</b><br><b>31.3.2022</b><br><b>RM'000</b> | <b>Audited</b><br><b>31.12.2021</b><br><b>RM'000</b> |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| <b>Non-current assets</b>   |   |  |
| Property, plant and equipment   | 45,094  | 44,995   |
| Investment properties   | 36,447  | 36,626   |
| Intangible assets   | 861   | 861  |
| Deferred tax assets   | 2,843   | 2,376  |
|   | <b>85,245</b>   | <b>84,858</b>  |
| <b>Current assets</b>   |   |  |
| Inventories   | 220   | 77   |
| Trade and other receivables   | 43,438  | 47,086   |
| Contract assets   | 3,558   | 5,779  |
| Tax recoverable   | 207   | 497  |
| Other current financial assets  | 14,294  | 14,491   |
| Cash and bank balances  | 32,148  | 30,572   |
|   | <b>93,865</b>   | <b>98,502</b>  |
| <b>TOTAL ASSETS</b>   | <b>179,110</b>  | <b>183,360</b>                                       |
| <b>EQUITY AND LIABILITIES</b>   |   |  |
| <b>Equity attributable to the equity holders of the parent</b>                |   |  |
| Share capital   | 65,970  | 65,970   |
| Treasury shares   | (364)   | (364)  |
| Other reserves  | (553)   | (763)  |
| Retained earnings   | (1,198)   | 445  |
|   | <b>63,855</b>   | <b>65,288</b>  |
| Non controlling interest  | 31,910  | 31,211   |
| <b>Total equity</b>   | <b>95,765</b>   | <b>96,499</b>  |
| <b>Non-current liabilities</b>  |   |  |
| Retirement benefits obligation  | 1,918   | 1,834  |
| Deferred tax liabilities  | 4,332   | 4,045  |
| Lease obligations   | 39  | 34   |
| Interest bearing loans and borrowings   | 1,098   | 1,026  |
|   | <b>7,387</b>  | <b>6,939</b>   |
| <b>Current liabilities</b>  |   |  |
| Trade and other payables  | 22,798  | 22,541   |
| Lease obligations   | 55  | 74   |
| Interest bearing loans and borrowings   | 51,750  | 55,888   |
| Tax payable   | 1,355   | 1,419  |
|   | <b>75,958</b>   | <b>79,922</b>  |
| <b>Total Liabilities</b>  | <b>83,345</b>   | <b>86,861</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>179,110</b>  | <b>183,360</b>                                       |
| <b>Net assets per share attributable to equity holders of the parent (RM)</b> | <b>0.10</b>   | <b>0.10</b>  |

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 FIRST QUARTER ENDED 31 MARCH 2022**  
**(The figures have not been audited)**

|  | ← Attributable to owners of the company → |                              |                             |                               |               |                 | Non<br>controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|---|------------------------------|-----------------------------|-------------------------------|---------------|-----------------|--|---------------------------|
|  | ← Non Distributable →                     |                              |                             | Distributable                 |               | Total<br>RM'000 |  |                           |
|  | Share<br>Capital<br>RM'000                | Treasury<br>Shares<br>RM'000 | Other<br>Reserves<br>RM'000 | Retained<br>Profits<br>RM'000 |               |                 |  |                           |
| <b>At 1 January 2021</b>                     | 65,970                                    | (330)                        | (650)                       | 8,542                         | 73,532        | 30,510          | 104,042                                  |                           |
| Total comprehensive income<br>for the period | -   | -                            | (552)                       | (179)                         | (731)         | 1,054           | 323                                      |                           |
| <b>At 31 March 2021</b>                      | <b>65,970</b>                             | <b>(330)</b>                 | <b>(1,202)</b>              | <b>8,363</b>                  | <b>72,801</b> | <b>31,564</b>   | <b>104,365</b>                           |                           |
| <b>At 1 January 2022</b>                     | 65,970                                    | (364)                        | (763)                       | 445                           | 65,288        | 31,211          | 96,499                                   |                           |
| Total comprehensive loss<br>for the period   | -   | -                            | 210                         | (1,643)                       | (1,433)       | 699             | (734)                                    |                           |
| <b>At 31 March 2022</b>                      | <b>65,970</b>                             | <b>(364)</b>                 | <b>(553)</b>                | <b>(1,198)</b>                | <b>63,855</b> | <b>31,910</b>   | <b>95,765</b>                            |                           |

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 FIRST QUARTER ENDED 31 MARCH 2022**  
**(The figures have not been audited)**

|   | <b>Cumulative<br/>Current<br/>Year<br/>31.3.2022<br/>RM'000</b> | <b>Cumulative<br/>Current<br/>Year<br/>31.3.2021<br/>RM'000</b> |
|---|---|---|
| <b>Cash flows from operating activities</b>                   |   |   |
| Profit before taxation  | 859   | 1,777   |
| <b>Adjustments for :</b>                                      |   |   |
| Depreciation and amortisation                                 | 2,050   | 2,080   |
| Finance cost  | 819   | 534   |
| Profit income from deposit                                    | (102)   | (51)  |
| <b>Operating profit before working capital changes</b>        | <u>3,626</u>  | <u>4,340</u>  |
| Working capital changes :                                     |   |   |
| Increase/(Decrease) in receivable                             | 5,100   | (2,405)   |
| (Decrease)/Increase in inventories and work-in-progress       | (143)   | 14  |
| Increase in payables  | (61)  | (1,926)   |
| <b>Cash generated from operations</b>                         | <u>8,522</u>  | <u>23</u>   |
| Finance cost paid   | (819)   | (534)   |
| Taxation paid   | (693)   | (251)   |
| <b>Net cash generated from/(used in) operating activities</b> | <u>7,010</u>  | <u>(762)</u>  |
| <b>Cash flows from investing activities</b>                   |   |   |
| Withdrawal of unit trust                                      | 197   | 4,984   |
| Purchase of property plant and equipment                      | (1,652)   | (1,342)   |
| Profit received from deposits                                 | 102   | 51  |
| Placement of deposits pledged                                 | (31)  | (31)  |
| <b>Net cash (used in)/generated from investing activities</b> | <u>(1,384)</u>  | <u>3,662</u>  |
| <b>Cash flows from financing activity</b>                     |   |   |
| Net drawdown/(repayment) of borrowings                        | 920   | (2,101)   |
| <b>Net cash generated from/(used in) financing activity</b>   | <u>920</u>  | <u>(2,101)</u>  |
| <b>Net increase in cash and cash equivalents</b>              | 6,546   | 799   |
| <b>Cash and cash equivalents at 1 January 2022/2021</b>       | 2,620   | 3,903   |
| <b>Cash and cash equivalents at 31 March 2022/2021</b>        | <u>9,166</u>  | <u>4,702</u>  |
| <b>Cash and cash equivalents :</b>                            |   |   |
| Cash and bank balances  | 32,148  | 31,335  |
| Overdraft   | (13,057)  | (18,983)  |
|   | <u>19,091</u>   | <u>12,352</u>   |
| Less: Restricted deposits                                     | (9,925)   | (7,650)   |
|   | <u>9,166</u>  | <u>4,702</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 FIRST QUARTER ENDED 31 MARCH 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 31 May 2022.

**A2. Basis of preparation**

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

| <b>MFRSs and amendments to MFRSs</b>  | <b>Effective for annual period beginning on or after</b> |
|---|--|
| 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**  
**(Company No. 199001011782)**

**FOR THE FIRST QUARTER ENDED 31 MARCH 2022**  
**SELECTED EXPLANATORY NOTES**

**A5. Changes in composition of the Group**

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

**A6. Segment information**

|                                | <b>31 March 2022</b>              |                    |                |                    | <b>Cumulative</b>   |
|--------------------------------|-----------------------------------|--------------------|----------------|--------------------|---------------------|
|                                | <b>Environmental</b>              | <b>Lab Testing</b> | <b>Others*</b> | <b>Elimination</b> | <b>Quarter</b>      |
|                                | <b>Monitoring,</b>                | <b>Services</b>    |                |                    | <b>31.3.2022</b>    |
|                                | <b>Consultancy &amp; Services</b> | <b>Services</b>    | <b>RM '000</b> | <b>RM '000</b>     | <b>Year To Date</b> |
|                                | <b>RM '000</b>                    | <b>RM '000</b>     | <b>RM '000</b> | <b>RM '000</b>     | <b>RM '000</b>      |
| External revenue               | 8,076                             | 13,710             | 748            | -                  | 22,534              |
| Inter- segment revenue         | 6                                 | 330                | 116            | (452)              | -                   |
| <b>Total revenue</b>           | <b>8,082</b>                      | <b>14,040</b>      | <b>864</b>     | <b>(452)</b>       | <b>22,534</b>       |
| <b>Segment Results</b>         |                                   |                    |                |                    |                     |
| Segment profit/(loss)          |                                   |                    |                |                    |                     |
| from operations                | (3,308)                           | 5,482              | 257            | (753)              | 1,678               |
| Finance cost                   | (749)                             | (1)                | (443)          | 374                | (819)               |
| Income tax expense             | 466                               | (1,586)            | -              | -                  | (1,120)             |
| <b>Loss net of tax</b>         |                                   |                    |                |                    | <b>(261)</b>        |
| Non-controlling interest       |                                   |                    |                |                    | (1,382)             |
| <b>Net loss for the period</b> |                                   |                    |                |                    | <b>(1,643)</b>      |

|                                       | <b>31 March 2021</b>              |                    |                |                    | <b>Cumulative</b>   |
|---------------------------------------|-----------------------------------|--------------------|----------------|--------------------|---------------------|
|                                       | <b>Environmental</b>              | <b>Lab Testing</b> | <b>Others*</b> | <b>Elimination</b> | <b>Quarter</b>      |
|                                       | <b>Monitoring,</b>                | <b>Services</b>    |                |                    | <b>31.3.2021</b>    |
|                                       | <b>Consultancy &amp; Services</b> | <b>Services</b>    | <b>RM '000</b> | <b>RM '000</b>     | <b>Year To Date</b> |
|                                       | <b>RM '000</b>                    | <b>RM '000</b>     | <b>RM '000</b> | <b>RM '000</b>     | <b>RM '000</b>      |
| <b>Segment Revenue</b>                |                                   |                    |                |                    |                     |
| External revenue                      | 10,468                            | 11,996             | 738            | -                  | 23,202              |
| Inter- segment revenue                | 91                                | 302                | 87             | (480)              | -                   |
| <b>Total revenue</b>                  | <b>10,559</b>                     | <b>12,298</b>      | <b>825</b>     | <b>(480)</b>       | <b>23,202</b>       |
| <b>Segment Results</b>                |                                   |                    |                |                    |                     |
| Segment profit/(loss) from operations | (1,844)                           | 4,187              | 1,960          | (1,992)            | 2,311               |
| Financing cost                        | (413)                             | (2)                | (393)          | 274                | (534)               |
| Income tax expense                    | 132                               | (1,009)            | (25)           | -                  | (902)               |
| <b>Profit net of tax</b>              |                                   |                    |                |                    | <b>875</b>          |
| Non-controlling interest              |                                   |                    |                |                    | (1,054)             |
| <b>Net loss for the period</b>        |                                   |                    |                |                    | <b>(179)</b>        |

\* 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 cyclical**

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

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
**(Company No. 199001011782)**

**FOR THE FIRST QUARTER ENDED 31 MARCH 2022**  
**SELECTED EXPLANATORY NOTES**

**A8. Profit before taxation**

|  | Individual quarter |           | Cumulative quarter |           |
|--|--------------------|-----------|--------------------|-----------|
|  | 3 months ended     |           | 3 months ended     |           |
|  | 31.3.2022          | 31.3.2021 | 31.3.2022          | 31.3.2021 |
|  | RM'000             | RM'000    | RM'000             | RM'000    |
| Profit before taxation is arrived at after charging: |                    |           |                    |           |
| Zakat  | 101                | 102       | 101                | 102       |

**A9. Income tax expense**

|                       | Individual quarter |           | Cumulative quarter |           |
|-----------------------|--------------------|-----------|--------------------|-----------|
|                       | 3 months ended     |           | 3 months ended     |           |
|                       | 31.3.2022          | 31.3.2021 | 31.3.2022          | 31.3.2021 |
|                       | RM'000             | RM'000    | RM'000             | RM'000    |
| Tax expense :         |                    |           |                    |           |
| - Malaysia Income Tax | 1,066              | 328       | 1,066              | 328       |
| - Foreign Tax         | 234                | 128       | 234                | 128       |
| - Deferred Tax        | (180)              | 446       | (180)              | 446       |
|                       | 1,120              | 902       | 1,120              | 902       |
| Effective tax rate    |                    |           | 130%               | 51%       |

The effective tax rate for 2022 and 2021 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 |           | Financial Year |           |
|---|--------------------|-----------|----------------|-----------|
|   | 3 months ended     |           | Ended          |           |
|   | 31.3.2022          | 31.3.2021 | 31.3.2022      | 31.3.2021 |
| Profit for the period (RM'000)                              | (1,643)            | (179)     | (1,643)        | (179)     |
| Number of ordinary shares of<br>RM0.10 each in issue ('000) | 655,371            | 655,631   | 655,371        | 655,631   |
| Basic Earnings Per Share (sen)                              | (0.25)             | (0.03)    | (0.25)         | (0.03)    |

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 FIRST QUARTER ENDED 31 MARCH 2022**  
**SELECTED EXPLANATORY NOTES**

**A12. Interest bearing loans and borrowings**

|                              | <b>31.3.2022</b> | <b>31.12.2021</b> |
|------------------------------|------------------|-------------------|
|                              | <b>RM'000</b>    | <b>RM'000</b>     |
| <b>Short term borrowings</b> |                  |                   |
| Hire purchase                | 1,233            | 1,704             |
| Overdraft                    | 13,057           | 18,057            |
| Revolving Credit             | 27,030           | 23,600            |
| Term loan                    | 10,265           | 10,173            |
| Trust receipt                | 165              | 2,354             |
|                              | <u>51,750</u>    | <u>55,888</u>     |
| <b>Long term borrowings</b>  |                  |                   |
| Hire purchase                | 1,098            | 1,026             |
|                              | <u>1,098</u>     | <u>1,026</u>      |
| <b>Total borrowings</b>      | <u>52,848</u>    | <u>56,914</u>     |

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

**A13. Trade receivables**

|                            | <b>31.3.2022</b> | <b>31.12.2021</b> |
|----------------------------|------------------|-------------------|
|                            | <b>RM'000</b>    | <b>RM'000</b>     |
| Trade and Other receivable | 43,438           | 47,086            |

**A14. Dividends**

No dividend declared or paid during current quarter.

**A15. Commitments**

|                               | <b>31.3.2022</b> | <b>31.12.2021</b> |
|-------------------------------|------------------|-------------------|
|                               | <b>RM'000</b>    | <b>RM'000</b>     |
| <b>Capital expenditure</b>    |                  |                   |
| Approved and contracted for : |                  |                   |
| Property, plant & equipment   | 500              | 523               |
|                               | <u>500</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 March 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 March 2022.

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

**Share buybacks/ Treasury shares of the Company**

|                         | <b>31.3.2022</b> | <b>31.12.2021</b> |
|-------------------------|------------------|-------------------|
|                         | <b>RM'000</b>    | <b>RM'000</b>     |
| As at 1 January         | 364              | 330               |
| Share buyback           | -                | 34                |
| As at 31 March/December | <u>364</u>       | <u>364</u>        |

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

**B1. Performance review**

**Review of Group Performance**

|  | <b>Financial<br/>Year<br/>Ended<br/>31.3.2022<br/>RM'000</b> | <b>Financial<br/>Year<br/>Ended<br/>31.3.2021<br/>RM'000</b> | <b>Changes<br/>Amount<br/>RM'000</b> | <b>Changes<br/>+ / (-)</b> |
|--|--|--|--------------------------------------|----------------------------|
| <b>Revenue</b>                                   |  |  |                                      |                            |
| Environmental monitoring, consultancy & services | 8,082  | 10,559   | (2,477)                              | (0.23)                     |
| Lab testing services                             | 14,040   | 12,298   | 1,742                                | 0.14                       |
| Corporate holding and Elimination                | 412  | 345  | 67                                   | (0.19)                     |
|  | <u>22,534</u>  | <u>23,202</u>  | (668)                                | (0.03)                     |
| <b>Segment results</b>                           |  |  |                                      |                            |
| Environmental monitoring, consultancy & services | (3,308)  | (1,844)  | (1,464)                              | (0.79)                     |
| Lab testing services                             | 5,482  | 4,187  | 1,295                                | 0.31                       |
| Corporate holding and Elimination                | (496)  | (32)   | (464)                                | (14.50)                    |
| Profit from operations                           | <u>1,678</u>   | <u>2,311</u>   | (633)                                | (0.27)                     |
| Finance charges                                  | (819)  | (534)  | (285)                                | (0.53)                     |
| Profit before tax                                | 859  | 1,777  | (918)                                | (0.52)                     |
| Tax expense                                      | (1,120)  | (902)  | (218)                                | (0.24)                     |
| (Loss)/Profit net of tax                         | (261)  | 875  | (1,136)                              | (1.30)                     |
| Non controlling interest                         | (1,382)  | (1,054)  | (328)                                | (0.31)                     |
| Loss attributable to owners of the Company       | <u>(1,643)</u>   | <u>(179)</u>   | (1,464)                              | (8.18)                     |

**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 by RM0.7million compared to the preceding year mainly due to lower revenue from environmental monitoring, consultancy & services. The Group reported lower profit from operations by RM1million.

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**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 36% of the total Group revenue.

The segment revenue has dropped by RM2.5million compared to the preceding year due to lower revenue generated from Malaysia operations. On the other hand, profit from operations has also dropped by RM1.5million due to lower revenue contributions as well as higher other operating expenses and financing cost incurred in current financial year.

b) **Lab testing services**

Lab testing services segment revenue contributed 62% of the total Group revenue.

For the year ended 31 March 2022, the segment revenue and profit from operations was higher by RM1.7million and RM1.3million respectively 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<br>Amount | Changes<br>+/(-) |
|---|---|--|-------------------|------------------|
|   | Current<br>Quarter<br>31.3.2022<br>RM'000 | Preceding<br>Quarter<br>31.12.2021<br>RM'000 |                   |                  |
| <b>Revenue</b>                                      |   |  |                   |                  |
| Environmental monitoring, consultancy & services    | 8,082                                     | 8,225  | (143)             | (0.02)           |
| Lab testing services                                | 14,040                                    | 14,355                                       | (315)             | (0.02)           |
| Corporate holding and Elimination                   | 412                                       | 1,558  | (1,146)           | (0.74)           |
|   | <u>22,534</u>                             | <u>24,138</u>                                | <u>(1,604)</u>    | <u>(0.07)</u>    |
| <b>Segment results</b>                              |   |  |                   |                  |
| Environmental monitoring, consultancy & services    | (3,308)                                   | 1,809  | (5,117)           | 2.83             |
| Lab testing services                                | 5,482                                     | 5,489  | (7)               | (0.00)           |
| Corporate holding and Elimination                   | (496)                                     | (637)  | 141               | (0.22)           |
| Profit from operations                              | <u>1,678</u>                              | <u>6,661</u>                                 | <u>(4,983)</u>    | <u>(0.75)</u>    |
| Finance charges                                     | (819)                                     | (1,814)                                      | 995               | 0.55             |
| Profit before tax                                   | <u>859</u>                                | <u>4,847</u>                                 | <u>(3,988)</u>    | <u>(0.82)</u>    |
| Tax Expense   | (1,120)                                   | (1,413)                                      | 293               | 0.21             |
| (Loss)/Profit net of tax                            | <u>(261)</u>                              | <u>3,434</u>                                 | <u>(3,695)</u>    | <u>(1.08)</u>    |
| Non Controlling interest                            | (1,382)                                   | (212)  | (1,170)           | (5.52)           |
| (Loss)/Profit attributable to owners of the company | <u>(1,643)</u>                            | <u>3,222</u>                                 | <u>(4,865)</u>    | <u>1.51</u>      |

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**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 deteriorated by RM1.6million compared to the preceding quarter ended 31 December 2021. The Group's profit from operations deteriorated by RM4.9million compared to the preceding quarter ended 31 December 2021 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 a lower profit from operations by RM5.4million compared to previous quarter ended 31 December 2021 due to turnaround effect from reversal of provision for doubtful debt amounting to RM 6million recorded in preceding quarter.

b) **Lab testing services**

Lab testing services segment reported slightly lower revenue and profit from operations as compared to previous quarter ended 31 December 2021.

**B3. Commentary on prospects**

The prospects for a more robust economic recovery in Malaysia are being clouded by a number of uncertainties arising from global catastrophes such as prolonged war in Ukraine and the recent second lockdown in China.

The war in Ukraine and the de-coupling of Russia from major economies are expected to cause disruptions which in turn are likely to slow down the global economy and generate inflationary shocks.

The shift to the endemic phase of Covid-19 will undoubtedly increase domestic economic activities arising from the easing of restrictions on mobility of people and goods. However, a slowdown in the global economy and inflationary shocks will adversely impact the country's growth despite the higher market prices for some of the country's exports.

Inflationary shocks could be worsened by a weakening Ringgit if the US Federal Reserve raises its interest rates further to battle domestic inflation. If inflation in Malaysia worsens, policymakers may have to implement a more restrictive monetary policy, which would entail lesser access to finance and higher cost of doing business.

Despite the volatile global economic conditions, we believe our lab testing services segment will continue to generate steady growth whilst our environmental monitoring, consultancy & services segment will rebound in the near future. In view of the above, the management will continue to implement prudent measures in order to minimize any adverse impact.

**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 March 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 March 2022.

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**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.

**B9. Dividend**

The Company had proposed a Single Tier Final Dividend of 0.30 sen (or RM0.003) per share for the financial year ended 31 December 2021 to be paid on 14 July 2022 to the shareholders whose names appear in the Record of Depositors on 1 July 2022, subject to the shareholders' approval at the 30th Annual General Meeting to be held on 23 June 2022.

**B10. 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