

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2022 RM'000	Preceding year Corresponding Quarter 30.9.2021 RM'000	+ / (-)	Current Year To Date 30.9.2022 RM'000	Preceding year Corresponding Period 30.9.2021 RM'000	+ / (-)
Revenue	23,671	25,376	(0.07)	66,105	67,884	(0.03)
Cost of sales	(11,616)	(9,437)		(31,470)	(28,583)	
<b>Gross profit</b>	<b>12,055</b>	<b>15,939</b>	<b>(0.24)</b>	<b>34,635</b>	<b>39,301</b>	<b>(0.12)</b>
Profit income	160	104		457	305	
Other income	2,212	1,630		4,791	1,985	
Staff costs	(5,885)	(6,739)		(18,901)	(19,572)	
Depreciation and amortisation	(2,027)	(1,817)		(5,998)	(5,686)	
Other operating expenses	(4,763)	(10,320)		(10,502)	(15,245)	
<b>Profit/(Loss) from operations</b>	<b>1,752</b>	<b>(1,203)</b>	<b>2.46</b>	<b>4,482</b>	<b>1,088</b>	<b>3.12</b>
Finance costs	(1,025)	(762)		(2,635)	(2,130)	
<b>Profit/(Loss) before tax</b>	<b>727</b>	<b>(1,965)</b>	<b>1.37</b>	<b>1,847</b>	<b>(1,042)</b>	<b>2.77</b>
Income tax expense	(669)	(404)		(2,018)	(2,634)	
<b>Profit/(Loss) net of tax</b>	<b>58</b>	<b>(2,369)</b>	<b>1.02</b>	<b>(171)</b>	<b>(3,676)</b>	<b>0.95</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	(1,004)	225		(2,576)	(262)	
<b>Total comprehensive income for the period</b>	<b>(946)</b>	<b>(2,144)</b>	<b>0.56</b>	<b>(2,747)</b>	<b>(3,939)</b>	<b>0.30</b>
<b>Net Profit/(Loss) attributable to:</b>						
Owners of the parent	(1,636)	(5,607)	0.71	(5,118)	(9,352)	0.45
Minority interest	1,694	3,238	0.48	4,947	5,676	0.13
	<b>58</b>	<b>(2,369)</b>	<b>1.02</b>	<b>(171)</b>	<b>(3,676)</b>	<b>0.95</b>

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	+ / (-)
	30.9.2022 RM'000	30.9.2021 RM'000		30.9.2022 RM'000	30.9.2021 RM'000	
<b>Total comprehensive income attributable to :</b>						
Owners of the parent	(2,640)	(5,382)	0.51	(7,694)	(9,614)	0.20
Minority interest	1,694	3,238	0.48	4,947	5,675	0.13
	<u>(946)</u>	<u>(2,144)</u>	0.56	<u>(2,747)</u>	<u>(3,939)</u>	0.30
<b>Earning per share attributable to equity holders of the parent</b>						
<b>Basic earning per share (sen) *</b>	<u>(0.25)</u>	<u>(0.86)</u>		<u>(0.78)</u>	<u>(1.43)</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 30 SEPTEMBER 2022**  
**(The figures have not been audited)**

	<b>Unaudited 30.9.2022 RM'000</b>	<b>Audited 31.12.2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	42,863	44,995
Investment properties	36,090	36,626
Intangible assets	861	861
Deferred tax assets	4,226	2,376
	<b>84,040</b>	<b>84,858</b>
<b>Current assets</b>		
Inventories	70	77
Trade and other receivables	42,145	47,086
Contract assets	3,289	5,779
Tax recoverable	530	497
Other current financial assets	12,758	14,491
Cash and bank balances	32,440	30,572
	<b>91,232</b>	<b>98,502</b>
<b>TOTAL ASSETS</b>	<b>175,272</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	(3,339)	(763)
Retained earnings	(6,639)	445
	<b>55,628</b>	<b>65,288</b>
Non controlling interest	33,698	31,211
<b>Total equity</b>	<b>89,326</b>	<b>96,499</b>
<b>Non-current liabilities</b>		
Retirement benefits obligation	2,055	1,834
Deferred tax liabilities	2,637	4,045
Lease obligations	419	34
Interest bearing loans and borrowings	468	1,026
	<b>5,579</b>	<b>6,939</b>
<b>Current liabilities</b>		
Trade and other payables	18,403	22,541
Lease obligations	361	74
Interest bearing loans and borrowings	58,987	55,888
Tax payable	2,616	1,419
	<b>80,367</b>	<b>79,922</b>
<b>Total Liabilities</b>	<b>85,946</b>	<b>86,861</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>175,272</b>	<b>183,360</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>0.08</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 THIRD QUARTER ENDED 30 SEPTEMBER 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				
<b>At 1 January 2021</b>	65,970	(330)	(650)	8,542	73,532	30,510	104,042	
Total comprehensive income for the period	-	-	(262)	(9,352)	(9,614)	5,675	(3,939)	
Dividends paid	-	-	-	(1,966)	(1,966)	-	(1,966)	
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)	
Purchase of treasury shares	-	(34)	-	-	(34)	-	(34)	
<b>At 30 September 2021</b>	<b>65,970</b>	<b>(364)</b>	<b>(912)</b>	<b>(2,776)</b>	<b>61,918</b>	<b>33,725</b>	<b>95,643</b>	
<b>At 1 January 2022</b>	65,970	(364)	(763)	445	65,288	31,211	96,499	
Total comprehensive loss for the period	-	-	(2,576)	(5,118)	(7,694)	4,947	(2,747)	
Dividends paid	-	-	-	(1,966)	(1,966)	-	(1,966)	
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)	
<b>At 30 September 2022</b>	<b>65,970</b>	<b>(364)</b>	<b>(3,339)</b>	<b>(6,639)</b>	<b>55,628</b>	<b>33,698</b>	<b>89,326</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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**(The figures have not been audited)**

	<b>Cumulative Current Year To Date 30.9.2022 RM'000</b>	<b>Cumulative Corresponding Period 30.9.2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	1,847	(1,042)
<b>Adjustments for :</b>		
Depreciation and amortisation	5,998	5,686
Provision for doubtful debt	1,209	6,498
Reversal of Provision for doubtful debt	(52)	(754)
Net foreign exchange gain	(3,896)	(804)
Finance cost	2,635	2,130
Profit income from deposit	(457)	(305)
<b>Operating profit before working capital changes</b>	<u>7,284</u>	<u>11,409</u>
Working capital changes :		
Decrease / (Increase) in receivable	2,596	(4,871)
Decrease in inventories and work-in-progress	7	106
Decrease in payables	(1,808)	(3,790)
<b>Cash generated from operations</b>	<u>8,079</u>	<u>2,854</u>
Finance cost paid	(2,635)	(2,130)
Taxation paid	(2,788)	(995)
<b>Net cash generated from/(used in) operating activities</b>	<u>2,656</u>	<u>(271)</u>
<b>Cash flows from investing activities</b>		
Withdrawal of unit trust	1,733	1,339
Purchase of property plant and equipment	(1,764)	(6,440)
Profit received from deposits	457	305
Placement of deposits pledged	(64)	(93)
<b>Net cash generated from /(used in) investing activities</b>	<u>362</u>	<u>(4,889)</u>
<b>Cash flows from financing activity</b>		
Net drawdown from borrowings	3,975	6,600
Dividend paid	(1,966)	(1,966)
Dividend paid to NCI	(2,460)	(2,460)
<b>Net cash (used in)/generated from financing activity</b>	<u>(451)</u>	<u>2,174</u>
<b>Net increase in cash and cash equivalents</b>	2,567	(2,986)
<b>Cash and cash equivalents at 1 January 2022/2021</b>	2,620	3,903
<b>Cash and cash equivalents at 30 September 2022/2021</b>	<u>5,187</u>	<u>917</u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	32,440	26,176
Overdraft	(17,295)	(17,547)
	<u>15,145</u>	<u>8,629</u>
Less: Restricted deposits	(9,958)	(7,712)
	<u>5,187</u>	<u>917</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.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 29 November 2022.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the year ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**SELECTED EXPLANATORY NOTES**

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

No changes in the composition of group for quarter ended 30 September 2022.

**A6. Segment information**

	<b>30 September 2022</b>				<b>Cumulative Quarter Year To Date 30.9.2022 RM '000</b>
	<b>Environmental Monitoring, Consultancy &amp; Services</b>	<b>Lab Testing Services</b>	<b>Others*</b>	<b>Elimination</b>	
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	
External revenue	22,089	41,758	2,258	-	66,105
Inter- segment revenue	26	750	3,851	(4,627)	-
<b>Total revenue</b>	<b>22,115</b>	<b>42,508</b>	<b>6,109</b>	<b>(4,627)</b>	<b>66,105</b>
<b>Segment Results</b>					
Segment profit/(loss)					
from operations	(11,008)	15,895	2,531	(2,936)	4,482
Finance cost	(2,212)	(3)	(1,315)	895	(2,635)
Income tax expense	1,849	(3,867)	-	-	(2,018)
<b>Loss net of tax</b>					<b>(171)</b>
Non-controlling interest					(4,947)
<b>Net loss for the period</b>					<b>(5,118)</b>

	<b>30 September 2021</b>				<b>Cumulative Quarter Year To Date 30.9.2021 RM'000</b>
	<b>Environmental Monitoring, Consultancy &amp; Services</b>	<b>Lab Testing Services</b>	<b>Others*</b>	<b>Elimination</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Segment Revenue</b>					
External revenue	24,126	41,740	2,018	-	67,884
Inter- segment revenue	188	759	3,823	(4,770)	-
<b>Total revenue</b>	<b>24,314</b>	<b>42,499</b>	<b>5,841</b>	<b>(4,770)</b>	<b>67,884</b>
<b>Segment Results</b>					
Segment profit/(loss) from operations	(12,960)	16,443	4,658	(7,053)	1,088
Financing cost	(1,874)	(4)	(1,176)	924	(2,130)
Income tax expense	846	(3,412)	(68)	-	(2,634)
<b>Loss net of tax</b>					<b>(3,676)</b>
Non-controlling interest					(5,676)
<b>Net loss for the period</b>					<b>(9,352)</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 cyclicity**

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

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**SELECTED EXPLANATORY NOTES**

**A8. Profit before taxation**

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging:				
Zakat	101	129	299	332

**A9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Tax expense :				
- Malaysia Income Tax	1,005	1,639	3,306	2,832
- Foreign Tax	135	194	505	437
- Deferred Tax	(471)	(1,429)	(1,793)	(635)
	669	404	2,018	2,634
Effective tax rate			109%	-253%

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		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Profit for the period (RM'000)	(1,636)	(5,607)	(5,118)	(9,352)
Number of ordinary shares of RM0.10 each in issue ('000)	655,371	655,631	655,371	655,631
Basic Earnings Per Share (sen)	(0.25)	(0.86)	(0.78)	(1.43)

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**SELECTED EXPLANATORY NOTES**

**A12. Interest bearing loans and borrowings**

	<b>30.9.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Hire purchase	1,311	1,704
Overdraft	17,295	18,057
Revolving Credit	27,032	23,600
Term loan	13,139	10,173
Trust receipt	210	2,354
	<u>58,987</u>	<u>55,888</u>
<b>Long term borrowings</b>		
Hire purchase	468	1,026
	<u>468</u>	<u>1,026</u>
<b>Total borrowings</b>	<u>59,455</u>	<u>56,914</u>

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

**A13. Trade receivables**

	<b>30.9.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade and Other receivable	42,145	47,086

**A14. Dividends**

No dividend declared or paid during current quarter.

**A15. Commitments**

	<b>30.9.2022</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	674	523
	<u>674</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 30 September 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 30 September 2022.

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**SELECTED EXPLANATORY NOTES**

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

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

	<b>30.9.2022</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 30 September/ 31 December	<u>364</u>	<u>364</u>

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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**

	<b>Current Year To Date 30.9.2022 RM'000</b>	<b>Preceding Year Corresponding Period 30.9.2021 RM'000</b>	<b>Changes Amount RM'000</b>	<b>Changes + / (-)</b>
<b>Revenue</b>				
Environmental monitoring, consultancy & services	22,115	24,314	(2,199)	(0.09)
Lab testing services	42,508	42,499	9	0.00
Corporate holding and Elimination	1,482	1,071	411	0.38
	<u>66,105</u>	<u>67,884</u>	(1,779)	(0.03)
<b>Segment results</b>				
Environmental monitoring, consultancy & services	(11,008)	(12,960)	1,952	0.15
Lab testing services	15,895	16,443	(548)	(0.03)
Corporate holding and Elimination	(405)	(2,395)	1,990	0.83
Profit from operations	<u>4,482</u>	<u>1,088</u>	3,394	3.12
Finance charges	<u>(2,635)</u>	<u>(2,130)</u>	(505)	(0.24)
Profit/(Loss) before tax	1,847	(1,042)	2,889	2.77
Tax expense	<u>(2,018)</u>	<u>(2,634)</u>	616	0.23
Loss net of tax	(171)	(3,676)	3,505	0.95
Non controlling interest	(4,947)	(5,676)	729	0.13
Loss attributable to owners of the Company	<u>(5,118)</u>	<u>(9,352)</u>	4,234	0.45

**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 higher profit from operations by RM3.4 million.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 33% of the total Group revenue.

The segment revenue has dropped by RM2.2 million compared to the preceding year due to lower revenue generated from Malaysia operations. Subsequently, loss from operations has also dropped by RM2 million due to lower other operating expenses incurred 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 30 September 2022, the segment revenue was slightly higher and profit from operations was lower by RM0.5 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 30.9.2022 RM'000	Preceding Quarter 30.06.2022 RM'000		
<b>Revenue</b>				
Environmental monitoring, consultancy & services	8,695	5,338	3,357	0.63
Lab testing services	14,474	13,994	480	0.03
Corporate holding and Elimination	502	568	(66)	(0.12)
	<u>23,671</u>	<u>19,900</u>	3,771	0.19
<b>Segment results</b>				
Environmental monitoring, consultancy & services	(3,337)	(4,460)	1,123	0.25
Lab testing services	5,359	5,054	305	0.06
Corporate holding and Elimination	(270)	361	(631)	(1.75)
Profit from operations	<u>1,752</u>	<u>955</u>	797	0.83
Finance charges	(1,025)	(694)	(331)	(0.48)
Profit before tax	<u>727</u>	<u>261</u>	466	1.79
Tax expense	(669)	(229)	(440)	(1.92)
Profit net of tax	<u>58</u>	<u>32</u>	26	0.81
Non controlling interest	(1,694)	(1,871)	177	0.09
Loss attributable to owners of the company	<u>(1,636)</u>	<u>(1,839)</u>	203	0.11

**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 RM3.8 million compared to the preceding quarter ended 30 June 2022. The Group's profit from operations improved by RM0.8 million compared to the preceding quarter ended 30 June 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 a lower loss from operations by RM1.1 million compared to previous quarter ended 30 June 2022 due to higher revenue generation by RM3.4 million.

b) **Lab testing services**

Lab testing services segment reported higher revenue and profit from operations as compared to previous quarter ended 30 June 2022.

**B3. Commentary on prospects**

The Malaysian economy continues to register a stronger growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). The strong GDP growth was contributed by robust domestic and external demand as well as improved labour market. In addition, this growth was to some extent due to the spill over effect from the transition to the endemic phase. Overall, GDP expanded by 9.3% during the first 9 months of 2022. Nevertheless economic pressures, most notably an increase in global inflation due to continuous price increases in commodity, food and raw materials, may raise the operating and input costs to businesses.

The World Bank has expected Kingdom of Saudi Arabia's economic growth to accelerate to 8.3% in 2022 before moderating to 3.7% and 2.3% in 2023 and 2024, respectively. The World Bank also projected the Indonesian economy to grow at 5.1% in 2022 and 5.3% in 2023, as the pressures of deteriorating global economic conditions, higher inflation and tightening external finance begin to weigh.

The ringgit depreciated by 4.9% against the US dollar in the third quarter of 2022 (YTD until 9 November 2022: -11.2%), in line with regional currencies which depreciated by an average of 5.5 (YTD: -9.5%), reflecting the continued strengthening of the US dollar. Nonetheless, elevated commodity prices and Malaysia's economic recovery helped to cushion the downward impact from the external developments on the ringgit during the quarter. Core inflation is expected to average higher in 2022, as demand continues to improve amid the high-cost environment.

The prospects for a more robust economic recovery in Malaysia are being clouded by a number of uncertainties such as prolonged war in Ukraine and the post general election effect from the just concluded GE15.

Going forward, while domestic financial markets will continue to be subjected to episodes of heightened volatility, spill overs to domestic financial intermediation are expected to remain broadly contained, supported by Malaysia's healthy external position and strong banking system.

With the volatile global and local economic conditions, we believe both our environmental monitoring, consultancy & services segment and lab testing services segment will not generate significant growth and continue to face challenges for the remaining year due to stiff competition and increase in the cost of doing business. In response, the management will continue to implement prudent measures in order to minimize any adverse impact to the organizational performance.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**  
**SELECTED EXPLANATORY NOTES**

**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 30 September 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 30 September 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.

**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