

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**(The figures have not been audited)**

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2024 RM'000	Preceding year Corresponding Quarter 30.9.2023 RM'000	+ / (-)	Current Year To Date 30.9.2024 RM'000	Preceding year Corresponding Period 30.9.2023 RM'000	+ / (-)
Revenue	23,550	23,443	0.00	71,411	65,996	0.08
Cost of sales	(6,242)	(10,256)		(24,638)	(28,868)	
<b>Gross profit</b>	<b>17,308</b>	<b>13,187</b>	<b>0.31</b>	<b>46,773</b>	<b>37,128</b>	<b>0.26</b>
Profit income	115	201		374	564	
Other income	876	691		1,983	4,345	
Staff costs	(7,325)	(6,229)		(22,278)	(18,922)	
Depreciation and amortisation	(1,451)	(1,863)		(4,777)	(5,520)	
Other operating expenses	(6,884)	(4,151)		(13,106)	(10,988)	
<b>Profit from operations</b>	<b>2,639</b>	<b>1,836</b>	<b>0.44</b>	<b>8,969</b>	<b>6,607</b>	<b>0.36</b>
Finance costs	(1,120)	(677)		(4,072)	(2,934)	
<b>Profit before tax</b>	<b>1,519</b>	<b>1,159</b>	<b>0.31</b>	<b>4,897</b>	<b>3,673</b>	<b>0.33</b>
Income tax expense	(1,284)	(679)		(3,418)	(1,521)	
<b>Profit/(Loss) net of tax</b>	<b>235</b>	<b>480</b>	<b>(0.51)</b>	<b>1,479</b>	<b>2,152</b>	<b>(0.31)</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	4,099	(648)		2,582	(956)	
<b>Total comprehensive income/(loss) for the period</b>	<b>4,334</b>	<b>(168)</b>	<b>26.80</b>	<b>4,061</b>	<b>1,196</b>	<b>2.40</b>
<b>Net Profit/(Loss) attributable to:</b>						
Owners of the parent	(1,629)	(1,159)	(0.41)	(3,846)	(2,946)	(0.31)
Minority interest	1,864	1,639	0.14	5,325	5,098	0.04
	<b>235</b>	<b>480</b>	<b>(0.51)</b>	<b>1,479</b>	<b>2,152</b>	<b>(0.31)</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**(The figures have not been audited)**  
**(CONT'D.)**

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2024 RM'000	Preceding year Corresponding Quarter 30.9.2023 RM'000	+ / (-)	Current Year To Date 30.9.2024 RM'000	Preceding year Corresponding Period 30.9.2023 RM'000	+ / (-)
<b>Total comprehensive income/(loss) attributable to :</b>						
Owners of the parent	2,470	(1,807)	2.37	(1,264)	(3,902)	(0.68)
Minority interest	1,864	1,639	0.14	5,325	5,098	0.04
	<b>4,334</b>	<b>(168)</b>	26.80	<b>4,061</b>	<b>1,196</b>	2.40
<b>Earning per share attributable to equity holders of the parent</b>						
<b>Basic earning per share (sen)</b>	<b>(0.25)</b>	<b>(0.18)</b>		<b>(0.59)</b>	<b>(0.45)</b>	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 2024**  
(The figures have not been audited)

	<b>Unaudited 30.9.2024 RM'000</b>	<b>Audited 31.12.2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,305	39,915
Investment properties	34,660	35,196
Goodwill on consolidation	6,952	6,952
Deferred tax assets	5,197	5,197
	<b>84,114</b>	<b>87,260</b>
<b>Current assets</b>		
Inventories	35	35
Trade and other receivables	43,661	38,484
Contract assets	1,395	2,960
Tax recoverable	868	911
Other current financial assets	4,798	15,869
Cash and bank balances	39,588	39,037
	<b>90,345</b>	<b>97,296</b>
<b>TOTAL ASSETS</b>	<b>174,459</b>	<b>184,556</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(459)	(3,041)
Accumulated losses	(18,685)	(14,839)
	<b>46,462</b>	<b>47,726</b>
Non-controlling interest	35,308	32,443
<b>Total equity</b>	<b>81,770</b>	<b>80,169</b>
<b>Non-current liabilities</b>		
Retirement benefit obligation	1,817	1,778
Deferred tax liabilities	2,541	2,541
Lease obligations	272	565
Borrowings	461	201
	<b>5,091</b>	<b>5,085</b>
<b>Current liabilities</b>		
Trade and other payables	25,138	36,093
Contract liabilities	1,287	1,050
Lease obligations	308	596
Borrowings	58,572	58,684
Income tax payable	2,293	2,879
	<b>87,598</b>	<b>99,302</b>
<b>Total Liabilities</b>	<b>92,689</b>	<b>104,387</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>174,459</b>	<b>184,556</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>0.07</b>	<b>0.07</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 2023 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 2024**  
**(The figures have not been audited)**

	← Attributable to owners of the company →						
	← Non Distributable →		Distributable			Non	Total
	Share	Treasury	Other	Retained	Total	controlling	Equity
	Capital	Shares	Reserves	Profits	RM'000	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2023</b>	65,970	(364)	(2,119)	(11,257)	52,230	31,495	83,725
Total comprehensive income/ (loss) for the period	-	-	(956)	(2,946)	(3,902)	5,098	1,196
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)
<b>At 30 September 2023</b>	<b>65,970</b>	<b>(364)</b>	<b>(3,075)</b>	<b>(14,203)</b>	<b>48,328</b>	<b>34,133</b>	<b>82,461</b>
<b>At 1 January 2024</b>	65,970	(364)	(3,041)	(14,839)	47,726	32,443	80,169
Total comprehensive income/ (loss) for the period	-	-	2,582	(3,846)	(1,264)	5,325	4,061
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)
<b>At 30 September 2024</b>	<b>65,970</b>	<b>(364)</b>	<b>(459)</b>	<b>(18,685)</b>	<b>46,462</b>	<b>35,308</b>	<b>81,770</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 2023.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
(The figures have not been audited)

	<b>Cumulative Current Year To Date 30.9.2024 RM'000</b>	<b>Cumulative Corresponding Period 30.9.2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	4,897	3,673
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	4,241	4,984
Amortisation of investment properties	536	536
Provision for retirement benefit obligations	134	24
Gain on disposal of property, plant and equipment	(51)	(1,199)
Impairment/(reversal of impairment) of trade receivables	(741)	1,924
Unrealised foreign exchange (gain)/loss, net	3,424	(2,025)
Finance cost	4,072	2,934
Profit income from deposits	(374)	(564)
<b>Operating profit before working capital changes</b>	<b>16,138</b>	<b>10,287</b>
Working capital changes :		
(Increase)/decrease in inventories	-	(119)
(Increase)/decrease in receivables	(2,871)	879
(Decrease)/increase in payables	(3,691)	4,653
<b>Cash generated from operations</b>	<b>9,576</b>	<b>15,700</b>
Retirement benefit obligation paid	(95)	-
Taxation paid	(3,960)	(2,395)
<b>Net cash generated from operating activities</b>	<b>5,521</b>	<b>13,305</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	1,614	249
Net withdrawal/(placement) of unit trust	11,093	(1,237)
Purchase of property plant and equipment	(3,195)	(3,612)
Acquisition of a subsidiary, net of cash acquired	-	610
Profits received from deposits	352	449
Net cash flow on acquisition of a subsidiary	(8,387)	-
Placement of deposits pledged	44	(169)
<b>Net cash generated from/(used in) investing activities</b>	<b>1,521</b>	<b>(3,710)</b>
<b>Cash flows from financing activity</b>		
Net drawdown/(repayment) of borrowings	(660)	(923)
Dividend paid to non-controlling interest	(2,460)	(2,460)
Financing cost paid	(4,072)	(2,965)
Lease payment	(62)	-
<b>Net cash used in financing activity</b>	<b>(7,254)</b>	<b>(6,348)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(212)</b>	<b>3,247</b>
<b>Cash and cash equivalents at 1 January 2024/2023</b>	<b>9,868</b>	<b>1,697</b>
<b>Cash and cash equivalents at 30 September 2024/2023</b>	<b>9,656</b>	<b>4,944</b>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	39,588	34,497
Overdraft	(18,503)	(18,241)
	21,085	16,256
Less: Restricted deposits	(11,429)	(11,312)
	9,656	4,944

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**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 25 November 2024.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the period ended 30 September 2024 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 2023, 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 2024**

The Group has adopted the following Amendments to MFRSs mandatory for annual periods beginning on or after 1 January 2024.

	<b>Effective for annual period beginning on or after</b>
Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 107 Statement of Cashflows and MFRS 7 Financial Instruments Disclosure: Supplier Finance Arrangements	1 January 2024

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

**MFRSs and Amendments to MFRS issued but not yet effective**

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

<b>MFRSs and amendments to MFRSs</b>	<b>Effective for annual period beginning on or after</b>
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023.

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**SELECTED EXPLANATORY NOTES**

**A4. Changes in estimates**

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

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

No changes in composition of the Group for the quarter ended 30 September 2024.

**A6. Segment information**

<u>30 September 2024</u>	<b>Environmental Monitoring, Consultancy &amp; Services</b>	<b>Lab Testing Services</b>	<b>Others*</b>	<b>Elimination</b>	<b>Cumulative Quarter Year To Date 30.9.2024</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	21,594	47,704	2,113	-	71,411
Inter- segment revenue	-	1,104	3,886	(4,990)	-
<b>Total revenue</b>	<b>21,594</b>	<b>48,808</b>	<b>5,999</b>	<b>(4,990)</b>	<b>71,411</b>
<b>Segment Results</b>					
Segment profit/(loss) from operations	(4,211)	16,248	2,111	(5,179)	8,969
Finance cost	(4,043)	(18)	(1,730)	1,719	(4,072)
Income tax expense	(1)	(3,417)	-	-	(3,418)
<b>Profit net of tax</b>					<b>1,479</b>
Non-controlling interest					(5,325)
<b>Net loss for the period</b>					<b>(3,846)</b>

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**SELECTED EXPLANATORY NOTES**

**A6. Segment information (cont'd)**

<u>30 September 2023</u>	<b>Environmental Monitoring, Consultancy &amp; Services RM'000</b>	<b>Lab Testing Services RM'000</b>	<b>Others* RM'000</b>	<b>Elimination RM'000</b>	<b>Cumulative Quarter Year To Date 30.9.2023 RM'000</b>
<b>Segment Revenue</b>					
External revenue	22,594	41,278	2,124	-	65,996
Inter- segment revenue	-	729	3,880	(4,609)	-
<b>Total revenue</b>	<b>22,594</b>	<b>42,007</b>	<b>6,004</b>	<b>(4,609)</b>	<b>65,996</b>
<b>Segment Results</b>					
Segment profit/(loss) from operations	(5,947)	14,939	2,695	(5,080)	6,607
Finance cost	(2,763)	(5)	(1,706)	1,540	(2,934)
Income tax expense	1,342	(2,863)	-	-	(1,521)
<b>Profit net of tax</b>					<b>2,152</b>
Non-controlling interest					(5,098)
<b>Net loss for the period</b>					<b>(2,946)</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 environmental monitoring, consultancy and services and lab testing services segments.

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

**A7. Seasonality or cyclical**

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

**A8. Profit before taxation**

	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 9 months ended</b>	
	<b>30.9.2024 RM'000</b>	<b>30.9.2023 RM'000</b>	<b>30.9.2024 RM'000</b>	<b>30.9.2023 RM'000</b>
Profit before taxation is arrived at after charging:				
Zakat	240	168	640	433

**A9. Income tax expense**

	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 9 months ended</b>	
	<b>30.9.2024 RM'000</b>	<b>30.9.2023 RM'000</b>	<b>30.9.2024 RM'000</b>	<b>30.9.2023 RM'000</b>
Tax expense :				
- Malaysia Income Tax	1,218	878	3,150	2,425
- Foreign Tax	66	135	268	439
- Deferred Tax	-	(334)	-	(1,343)
	<b>1,284</b>	<b>679</b>	<b>3,418</b>	<b>1,521</b>
Effective tax rate			70%	41%

The effective tax rate for 2024 and 2023 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.



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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**SELECTED EXPLANATORY NOTES**

**A10. Earnings per share**

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

	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 9 months ended</b>	
	<b>30.9.2024</b>	<b>30.9.2023</b>	<b>30.9.2024</b>	<b>30.9.2023</b>
Profit for the period (RM'000)	(1,629)	(1,159)	(3,846)	(2,946)
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	(0.25)	(0.18)	(0.59)	(0.45)

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

**A11. Valuation of property, plant and equipment**

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

**A12. Interest bearing loans and borrowings**

	<b>30.9.2024 RM'000</b>	<b>31.12.2023 RM'000</b>
<b>Short term borrowings</b>		
Hire purchase	73	90
Overdraft	18,503	17,696
Revolving Credit	23,291	23,796
Term loan	16,140	15,761
Trust receipt	565	1,341
	<u>58,572</u>	<u>58,684</u>
<b>Long term borrowings</b>		
Hire purchase	461	201
	<u>461</u>	<u>201</u>
<b>Total borrowings</b>	<u>59,033</u>	<u>58,885</u>

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

**A13. Trade receivables**

	<b>30.9.2024 RM'000</b>	<b>31.12.2023 RM'000</b>
Trade and Other receivable	<u>43,661</u>	<u>38,484</u>

**A14. Dividends**

No dividend declared or paid during current quarter.

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**SELECTED EXPLANATORY NOTES**

**A15. Commitments**

	<b>30.9.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	233	996
	<u>233</u>	<u>996</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 period ended 30 September 2024.

**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 2024.

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

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

	<b>30.9.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	364	364
Share buyback	-	-
As at 30 September/December	<u>364</u>	<u>364</u>

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**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 30.9.2024 RM'000</b>	<b>Preceding Year Corresponding Period 30.9.2023 RM'000</b>	<b>Changes Amount RM'000</b>	<b>Changes +/( -)</b>
<b><u>Revenue</u></b>				
Environmental monitoring, consultancy & services	21,594	22,594	(1,000)	(0.04)
Lab testing services	48,808	42,007	6,801	0.16
Corporate holding and Elimination	1,009	1,395	(386)	(0.28)
	<u>71,411</u>	<u>65,996</u>	<u>5,415</u>	<u>0.08</u>
<b><u>Segment results</u></b>				
Environmental monitoring, consultancy & services	(4,211)	(5,947)	1,736	0.29
Lab testing services	16,248	14,939	1,309	0.09
Corporate holding and Elimination	(3,068)	(2,385)	(683)	(0.29)
Profit from operations	<u>8,969</u>	<u>6,607</u>	<u>2,362</u>	<u>0.36</u>
Finance charges	(4,072)	(2,934)	(1,138)	(0.39)
Profit before tax	<u>4,897</u>	<u>3,673</u>	<u>1,224</u>	<u>0.33</u>
Tax expense	(3,418)	(1,521)	(1,897)	(1.25)
Profit net of tax	<u>1,479</u>	<u>2,152</u>	<u>(673)</u>	<u>(0.31)</u>
Non controlling interest	(5,325)	(5,098)	(227)	(0.04)
Loss attributable to owners of the Company	<u>(3,846)</u>	<u>(2,946)</u>	<u>(900)</u>	<u>(0.31)</u>

**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 higher revenue by RM5.4 million as compared to the preceding year corresponding period as a result of higher revenue recorded by the lab testing services segments. Accordingly, the Group's profit from operations increased by RM2.4 million as a result of higher gross profit recorded in the current financial period.

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

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

Environmental monitoring, consultancy and services segment contributed 30% from the total Group revenue in the current period, decreased by 4% from the preceding year corresponding period's contribution.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**SELECTED EXPLANATORY NOTES**

**B1. Performance review (cont'd.)**

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

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

The segment's revenue slightly decreased by RM1.0 million or 4% as compared to the preceding year corresponding period, contributed by lower revenue generated by the Malaysia operation. The segment reported lower loss from operations by RM1.7 million or 29% as compared to the preceding year corresponding period due to higher gross profit and significant increase in the gross margin in both the Malaysia and Saudi operations.

**b) Lab testing services**

Lab testing services segment contributed 68% of the total Group revenue, increased by 4% from the preceding year corresponding period's revenue contribution of 64%.

The segment's revenue increased by RM6.8 million or 16% from the preceding year corresponding period's revenue, contributed by higher revenue from Malaysia operation, resulting from higher revenue contribution by the Environmental segment and the new lab testing services segment, i.e. Agrochemical testing services, acquired in the prior year. The segment's profit from operations was higher by 9% or RM1.3 million compared to the preceding year corresponding period as a result of higher revenue recorded by the Malaysia operation.

The Group's profit before tax has increased by 33% from RM3.7 million reported in the preceding year corresponding period to RM4.9 million in the current period. However, after accounting for taxation, our overall position has declined by 31% or RM0.7 million. To address this, we are implementing several revenue growth strategies, including the promotion of our newly launched water treatment solutions and agrochemical lab services, along with initiatives focused on cost optimization and margin improvement. We anticipate these efforts will enhance our position in the coming quarters.

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

	<b>Individual Quarter</b>		<b>Changes</b>	<b>Changes</b>
	<b>Current Quarter</b>	<b>Preceding Quarter</b>		
	<b>30.9.2024</b>	<b>30.6.2024</b>	<b>Amount</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>+/( -)</b>
<b><u>Revenue</u></b>				
Environmental monitoring, consultancy & services	6,509	7,939	(1,430)	(0.18)
Lab testing services	16,999	16,302	697	0.04
Corporate holding and Elimination	42	558	(516)	(0.92)
	<u>23,550</u>	<u>24,799</u>	<u>(1,249)</u>	<u>(0.05)</u>
<b><u>Segment results</u></b>				
Environmental monitoring, consultancy & services	(2,229)	(1,073)	(1,156)	(1.08)
Lab testing services	5,782	5,082	700	0.14
Corporate holding and Elimination	(914)	(1,153)	239	0.21
Profit from operations	<u>2,639</u>	<u>2,856</u>	<u>(217)</u>	<u>(0.08)</u>
Finance charges	<u>(1,120)</u>	<u>(2,068)</u>	948	0.46
Profit before tax	1,519	788	731	0.93
Tax Expense	<u>(1,284)</u>	<u>(1,140)</u>	(144)	(0.13)
(Loss)/Profit net of tax	235	(352)	587	(1.67)
Non Controlling interest	<u>(1,864)</u>	<u>(1,647)</u>	(217)	(0.13)
Loss attributable to owners of the company	<u>(1,629)</u>	<u>(1,999)</u>	370	0.19

**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 decreased by RM1.2 million as compared to the preceding quarter ended 30 June 2024, contributed by lower revenue recorded by the environmental monitoring, consultancy & services and Others segments. The Group's profit from operations accordingly, has decreased by RM0.2 million from the preceding quarter as a results of higher losses reported by the environmental monitoring, consultancy & services segment in the current quarter.

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

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

Environmental monitoring, consultancy and services segment reported lower revenue by RM1.4 million or 18% as compared to the preceding quarter, contributed by lower revenue recorded by the Saudi operation. The segment reported higher loss from operations by RM1.2 million as compared to the preceding quarter ended 30 June 2024, due to higher other operating expenses reported by the Saudi operation in the current quarter.

**b) Lab testing services**

Lab testing services segment reported higher revenue by RM0.7 million in the current quarter as compared to the preceding quarter, contributed by higher revenue from both the Malaysia and Indonesia operations. The segment's profit from operations also increased by RM0.7 million as compared to the preceding quarter ended 30 June 2024 contributed by higher gross profit recorded by the Malaysia operation in the current quarter.

**B3. Commentary on prospects**

According to the IMF's latest World Economic Outlook report, global economic growth is expected to remain stable yet underwhelming at 3.2% in 2024 and 2025. However, notable revisions have taken place beneath the surface, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies such as the largest European countries. Likewise, in emerging market and developing economies, disruptions to production and shipping of commodities especially oil, conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa. These have been compensated for by upgrades to the forecast for emerging Asia, where surging demand for semiconductors and electronics, driven by significant investments in artificial intelligence, has bolstered growth. For Malaysia, the GDP growth is projected at 4.8% for 2024 and 4.4% for 2025.

The country's steady domestic demand and favorable external sector, coupled with the implementation of measures outlined in Budget 2025, will drive economic growth between 4.5% and 5.5% in 2025.

PICORP's turnaround strategy has yielded positive results in 2024. In the current quarter, our profit before tax has risen by 33%, increasing from RM3.7 million to RM4.9 million as compared to the preceding quarter. However, our profit after tax has declined by 31%, or RM0.7 million as compared to preceding quarter.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**  
**SELECTED EXPLANATORY NOTES**

**B3. Commentary on prospects (cont'd)**

To drive substantial growth and enhance our financial performance, we are aggressively pursuing key revenue strategies, including the promotion of our innovative water treatment solutions and newly acquired agrochemical lab services. We will capitalize on new opportunities, such as securing a major environmental monitoring contract with a leading oil company and leveraging Saudi Asma's top Integrated Pest Management (IPM) recognition to penetrate new markets in Saudi Arabia. Our comprehensive cost optimization plan involves renegotiating supplier contracts, manpower optimizing, and streamlining operations to drive expense reductions. In a near future, we will boost further our revenue through strategic expansion in the areas of agrochemical laboratory services in Malaysia and Indonesia.

We foresee that our position will be further improved in the following quarter barring any unforeseen circumstances.

**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 2024.

**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 2024.

**B7. Off Balance Sheet Financial Instruments**

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

**B8. Changes in Material Litigation**

There is no material litigation in the current quarter.

**B9. Dividend**

The Company does not recommend any payment of dividend in respect of the financial year ended 31 December 2023.

**B10. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.

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

Shah Alam