

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2021 RM'000	Preceding year Corresponding Quarter 30.9.2020 RM'000	+ / (-)	Current Year To Date 30.9.2021 RM'000	Preceding year Corresponding Period 30.9.2020 RM'000	+ / (-)
Revenue	25,376	26,213	(0.03)	67,884	60,189	0.13
Cost of sales	(9,437)	(12,008)		(28,583)	(23,490)	
<b>Gross profit</b>	<b>15,939</b>	<b>14,205</b>	<b>0.12</b>	<b>39,301</b>	<b>36,699</b>	<b>0.07</b>
Profit income	104	12		305	375	
Other income	278	197		1,985	809	
Staff costs	(6,739)	(5,416)		(19,572)	(17,907)	
Depreciation and amortisation	(1,817)	(1,734)		(5,686)	(4,746)	
Other operating expenses	(8,968)	(3,064)		(15,246)	(8,457)	
<b>(Loss)/Profit from operations</b>	<b>(1,203)</b>	<b>4,200</b>	<b>(1.29)</b>	<b>1,087</b>	<b>6,773</b>	<b>(0.84)</b>
Finance costs	(762)	(556)		(2,130)	(1,701)	
<b>(Loss)/Profit before tax</b>	<b>(1,965)</b>	<b>3,644</b>	<b>(1.54)</b>	<b>(1,043)</b>	<b>5,072</b>	<b>(1.21)</b>
Income tax expense	(404)	(1,442)		(2,634)	(3,350)	
<b>(Loss)/Profit net of tax</b>	<b>(2,369)</b>	<b>2,202</b>	<b>(2.08)</b>	<b>(3,677)</b>	<b>1,722</b>	<b>(3.14)</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	225	(1,045)		(262)	(2,172)	
<b>Other comprehensive income attributable to:</b>	<b>225</b>	<b>(1,045)</b>		<b>(262)</b>	<b>(2,172)</b>	
<b>Total comprehensive income for the period</b>	<b>(2,144)</b>	<b>1,157</b>	<b>(2.85)</b>	<b>(3,939)</b>	<b>(450)</b>	<b>7.75</b>
<b>Net Profit/(Loss) attributable to:</b>						
Owners of the parent	(5,607)	(13)	430.31	(9,352)	(2,402)	2.89
Minority interest	3,238	2,215	0.46	5,675	4,124	0.38
	<b>(2,369)</b>	<b>2,202</b>	<b>(2.08)</b>	<b>(3,677)</b>	<b>1,722</b>	<b>(3.14)</b>

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021  
(The figures have not been audited)  
(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.9.2021 RM'000	Preceding year Corresponding Quarter 30.9.2020 RM'000	+ / (-)	Current Year To Date 30.9.2021 RM'000	Preceding year Corresponding Period 30.9.2020 RM'000	+ / (-)
<b>Total comprehensive income attributable to :</b>						
Owners of the parent	(5,381)	(849)	(5.34)	(9,614)	(3,584)	1.68
Minority interest	3,237	2,006	0.61	5,675	3,134	0.81
	<b><u>(2,144)</u></b>	<b><u>1,157</u></b>	<b>(2.85)</b>	<b><u>(3,939)</u></b>	<b><u>(450)</u></b>	<b>7.75</b>
<b>Earning per share attributable to equity holders of the parent</b>						
Basic earning per share (sen) *	<b><u>(0.86)</u></b>	<b><u>(0.00)</u></b>		<b><u>(1.43)</u></b>	<b><u>(0.37)</u></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 2020 and the accompanying explanatory notes attached to the financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**  
(The figures have not been audited)

	<b>Unaudited</b> <b>30.9.2021</b> <b>RM'000</b>	<b>Audited</b> <b>31.12.2020</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	45,429	43,309
Investment properties	36,698	37,341
Intangible assets	861	861
Deferred tax assets	2,094	1,276
	<u>85,082</u>	<u>82,787</u>
<b>Current assets</b>		
Inventories	86	191
Trade and other receivables	46,761	42,933
Amount due from customer on contract	5,455	9,680
Other current financial assets	13,046	14,385
Tax recoverable	331	350
Cash and bank balances	26,176	27,788
	<u>91,855</u>	<u>95,327</u>
<b>TOTAL ASSETS</b>	<u>176,937</u>	<u>178,114</u>
<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)	(330)
Other reserves	(912)	(650)
Retained earnings	(2,776)	8,542
	<u>61,918</u>	<u>73,532</u>
Non controlling interest	33,725	30,510
<b>Total equity</b>	<u>95,643</u>	<u>104,042</u>
<b>Non-current liabilities</b>		
Retirement benefits obligation	2,227	1,861
Deferred tax liabilities	3,980	3,797
Lease obligations	219	31
Interest bearing loans and borrowings	1,230	2,345
	<u>7,656</u>	<u>8,034</u>
<b>Current liabilities</b>		
Trade and other payables	14,651	17,936
Lease obligations	81	72
Interest bearing loans and borrowings	56,551	46,055
Tax payable	2,355	1,975
	<u>73,638</u>	<u>66,038</u>
<b>Total Liabilities</b>	<u>81,294</u>	<u>74,072</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>176,937</u>	<u>178,114</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>0.09</u>	<u>0.11</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
(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 2020</b>	65,970	(330)	(375)	14,960	80,225	30,032	110,257	
Total comprehensive income for the period	-	-	(1,182)	(2,402)	(3,584)	3,134	(450)	
Dividends paid	-	-	-	(3,606)	(3,606)	-	(3,606)	
Dividends paid to non-controlling interest	-	-	-	-	-	(2,255)	(2,255)	
<b>At 30 September 2020</b>	<b>65,970</b>	<b>(330)</b>	<b>(1,557)</b>	<b>8,952</b>	<b>73,035</b>	<b>30,911</b>	<b>103,946</b>	
<b>At 1 January 2021</b>	65,970	(330)	(650)	8,542	73,532	30,510	104,042	
Total comprehensive loss 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	-	(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>	

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 2020.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**(The figures have not been audited)**

	<b>Cumulative Current Year To Date 30.9.2021 RM'000</b>	<b>Cumulative Corresponding Period 30.9.2020 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	(1,043)	5,072
<b>Adjustments for :</b>		
Depreciation and amortisation	5,686	4,746
Loss on write off of property, plant and equipment	-	13
Bad debt write off	-	171
Provision for doubtful debt	6,498	278
Reversal of impairment of receivable	(754)	(580)
Net unrealised foreign exchanges loss	(804)	187
Finance cost	2,130	1,701
Profit income from deposits & Dividend from unit trust	(305)	(375)
<b>Operating profit before working capital changes</b>	<u>11,408</u>	<u>11,213</u>
Working capital changes :		
Increase in receivable	(4,871)	(2,375)
Decrease in inventories and work-in-progress	106	32
Decrease in payables	(3,789)	(4,394)
<b>Cash generated from operations</b>	<u>2,854</u>	<u>4,476</u>
Finance cost paid	(2,130)	(1,701)
Tax paid	(995)	(2,045)
<b>Net cash generated from/(used in) operating activities</b>	<u>(271)</u>	<u>730</u>
<b>Cash flows from investing activities</b>		
Withdrawal of unit trust	1,339	2,054
Purchase of property, plant & equipment	(6,440)	(6,988)
Profit received from deposits	305	375
Movement in restricted deposits	(93)	-
<b>Net cash generated from investing activities</b>	<u>(4,889)</u>	<u>(4,559)</u>
<b>Cash flows from financing activity</b>		
Net Drawdown of borrowings	6,600	7,781
Dividend	(1,966)	(3,606)
Dividend paid to NCI	(2,460)	(2,255)
<b>Net cash used in financing activity</b>	<u>2,174</u>	<u>1,920</u>
<b>Net decrease in cash and cash equivalents</b>	(2,986)	(1,909)
<b>Cash and cash equivalents at 1 January 2021/2020</b>	3,903	(1,028)
<b>Cash and cash equivalents at 30 September 2021/2020</b>	<u>917</u>	<u>(2,937)</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**(The figures have not been audited)**  
**(CONT'D)**

	<b>Cumulative Current Year To Date 30.9.2021 RM'000</b>	<b>Cumulative Corresponding Period 30.9.2020 RM'000</b>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	26,176	22,046
Overdraft	<u>(17,547)</u>	<u>(17,228)</u>
	8,629	4,818
Less: Restricted deposits	<u>(7,712)</u>	<u>(7,755)</u>
	<u>917</u>	<u>(2,937)</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 2020 and the accompanying explanatory notes attached to the financial statements.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**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 2021.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the year ended 30 September 2021 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 2020, 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 2021** -7048

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2021.

Interest Rate Benchmark Reform—Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	30 June 2021

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>
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
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
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**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 group for quarter ended 30 September 2021.

**A6. Segment information**

	<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>Laboratory 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	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>

**Segment Results**

Segment profit/(loss) from operations	(12,960)	16,443	4,658	(7,054)	1,087
Finance 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>(3,677)</b>
Non-controlling interest					(5,675)
<b>Net loss for the period</b>					<b>(9,352)</b>

	<b>30 September 2020</b>				<b>Cumulative Quarter Year To Date 30.9.2020 RM'000</b>
	<b>Environmental Monitoring, Consultancy &amp; Services</b>	<b>Laboratory 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	20,775	38,359	2,088	(1,033)	60,189
Inter- segment revenue	169	627	3,607	(4,403)	-
<b>Total revenue</b>	<b>20,944</b>	<b>38,986</b>	<b>5,695</b>	<b>(5,436)</b>	<b>60,189</b>

**Segment Results**

Segment profit/(loss) from operations	(5,467)	14,528	1,611	(3,899)	6,773
Financing cost	(1,049)	-	(1,089)	437	(1,701)
Income tax expense	775	(3,948)	(177)	-	(3,350)
<b>Loss net of tax</b>					<b>1,722</b>
Non-controlling interest					(4,124)
<b>Net loss for the period</b>					<b>(2,402)</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 laboratory services.

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

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**A7. Seasonality or cyclical**

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

**A8. Profit before taxation**

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Profit before taxation is arrived at after charging:				
Zakat	129	98	332	352

**A9. Income tax expense**

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Tax expense :				
- Malaysia Income Tax	1,639	573	2,832	2,740
- Foreign Tax	194	529	437	1,102
- Deferred Tax	(1,429)	340	(635)	(492)
	404	1,442	2,634	3,350
Effective tax rate			-253%	66%

The effective tax rate for 2021 and 2020 is higher than the statutory income tax rate of 24% .This is due to the losses incurred by the subsidiary companies which has lowered the basis for the computation of the effective tax rate.

**A10. Earnings per share**

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

	Individual quarter 3 months ended		Financial Year Ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
Profit for the period (RM'000)	(5,607)	(13)	(9,352)	(2,402)
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	(0.86)	(0.00)	(1.43)	(0.37)

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**  
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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**A12. Interest bearing loans and borrowings**

	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Hire purchase	1,264	1,225
Overdraft	17,547	16,265
Revolving Credit	25,146	18,600
Term loan	11,023	6,206
Trust receipt	1,571	3,759
	<u>56,551</u>	<u>46,055</u>
<b>Long term borrowings</b>		
Hire purchase	1,230	2,345
	<u>1,230</u>	<u>2,345</u>
<b>Total borrowings</b>	<u>57,781</u>	<u>48,400</u>

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

**A13. Trade receivables**

	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade and Other receivable	46,761	42,933

**A14. Dividends**

No dividend declared or paid during current quarter.

**A15. Commitments**

	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	166	345
	<u>166</u>	<u>345</u>

**A16. Contingent liabilities and contingent assets**

There were no material changes in the contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 31 December 2020.

**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 2021.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

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

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

	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	330	330
Share buyback	34	-
As at 30 September/December	<u>364</u>	<u>330</u>

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021  
SELECTED EXPLANATORY NOTES

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

**B1. Performance review**

**Review of Group Performance**

	Financial Year Ended 30.9.2021 RM'000	Financial Year Ended 30.9.2020 RM'000	Changes Amount RM'000	Changes + / (-)
<b>Revenue</b>				
Environmental monitoring, consultancy & services	24,314	20,944	3,370	0.16
Laboratory services	42,499	38,986	3,513	0.09
Corporate holding and Elimination	1,071	259	812	(3.14)
	<u>67,884</u>	<u>60,189</u>	7,695	0.13
			(20,776)	
<b>Segment results</b>				
Environmental monitoring, consultancy & services	(12,960)	(5,467)	(7,493)	(1.37)
Laboratory services	16,443	14,528	1,915	0.13
Corporate holding and Elimination	(2,396)	(2,288)	(108)	(0.05)
Profit from operations	<u>1,087</u>	<u>6,773</u>	(5,686)	(0.84)
Finance charges	<u>(2,130)</u>	<u>(1,701)</u>	(429)	(0.25)
Profit before tax	<u>(1,043)</u>	5,072	(6,115)	(1.21)
Tax expense	<u>(2,634)</u>	<u>(3,350)</u>	716	0.21
Loss net of tax	<u>(3,677)</u>	1,722	(5,399)	(3.14)
Non controlling interest	<u>(5,675)</u>	<u>(4,124)</u>	(1,551)	(0.38)
Loss attributable to owners of the Company	<u><u>(9,352)</u></u>	<u><u>(2,402)</u></u>	(6,950)	(2.89)

**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 laboratory 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 RM7.7million compared to the preceding year mainly due to higher revenue from laboratory services and environmental monitoring, consultancy and services. The Group reported lower profit from operations by RM5.7million.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**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 36% of the total Group revenue.

The segment revenue was increased by RM3.4million compared to the preceding year due to higher revenue generated from Malaysia and Saudi operations. Loss from operations was decreased by RM7.5million .

b) **Laboratory services**

Laboratory services segment revenue contributed 63% of the total Group revenue.

For the year ended 30 September 2021, the segment revenue was higher by RM3.5million and profit from operations was higher by RM1.9million 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 30.9.2021 RM'000	Preceding Quarter 30.6.2021 RM'000		
<b>Revenue</b>				
Environmental monitoring, consultancy & services	6,695	7,060	(365)	(0.05)
Laboratory services	18,188	12,013	6,175	0.51
Corporate holding and Elimination	493	233	260	1.12
	<u>25,376</u>	<u>19,306</u>	6,070	0.31
<b>Segment results</b>				
Environmental monitoring, consultancy & services	(9,997)	(1,840)	(8,157)	(4.43)
Laboratory services	8,751	3,505	5,246	1.50
Corporate holding and Elimination	43	(1,811)	1,854	(1.02)
Loss from operations	<u>(1,203)</u>	<u>(146)</u>	(1,057)	7.24
Finance charges	(762)	(709)	(53)	(0.07)
Loss before tax	<u>(1,965)</u>	<u>(855)</u>	(1,110)	1.30
Tax Expense	(404)	(1,328)	924	0.70
Loss net of tax	<u>(2,369)</u>	<u>(2,183)</u>	(186)	0.09
Non Controlling interest	(3,238)	(1,382)	(1,856)	(1.34)
Loss attributable to owners of the company	<u><u>(5,607)</u></u>	<u><u>(3,565)</u></u>	(2,042)	(0.57)

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**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 was improved compared to the preceding quarter ended 30 June 2021 due to higher revenue from laboratory services by RM6million. The Group's loss from operations was deteriorated compared to the preceding quarter ended 30 June 2021 by RM0.9mil.

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

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

Environmental monitoring, consultancy and services reported a loss from operations amounted to RM10million for the quarter ended 30 September 2021 and RM1.8million in previous quarter ended 30 June 2021.

b) **Laboratory services**

Laboratory services segment reported higher revenue and profit from operations by RM6.2million and RM5.2million respectively as compared to previous quarter ended 30 June 2021.

**B3. Commentary on prospects**

Amidst the global economy cautiously recovering from the Covid- 19 pandemic, the management is continuously implementing several measures to align its operations with the requirements of the new norm and to cushion the impact of the crisis to the business. These actions include the implementation of cost containment measures, upholding the social distancing, ensure staff to receive vaccination and good sanitation procedures at the workplace as well as stringent health and safety protocols to ensure employee safety. Even though the vaccine roll-out has been greatly accelerated, the positive impact will take longer time for economic recovery.

**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 2021.

**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 2021.

**B7. Off Balance Sheet Financial Instruments**

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

**B8. Changes in Material Litigation**

There is no material litigation in the current year.

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**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 2020 has been paid on 15 July 2021 to the shareholders whose names appear in the Record of Depositors on 1 July 2021.

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

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

By order of the Board

**PROGRESSIVE IMPACT CORPORATION BERHAD**

Hajjah Zaidah Binti Haji Mohd Salleh

Company Secretary (MIA 3313)

Shah Alam