

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

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.6.2022 RM'000	Preceding year Corresponding Quarter 30.6.2021 RM'000	+ / (-)	Current Year To Date 30.6.2022 RM'000	Preceding year Corresponding Period 30.6.2021 RM'000	+ / (-)
Revenue	19,900	19,306	0.03	42,434	42,508	(0.00)
Cost of sales	(10,024)	(8,392)		(19,854)	(19,198)	
Gross profit	<u>9,876</u>	<u>10,914</u>	(0.10)	<u>22,580</u>	<u>23,310</u>	(0.03)
Profit income	163	123		297	201	
Other income	216	185		333	355	
Staff costs	(6,136)	(6,288)		(13,016)	(12,402)	
Depreciation and amortisation	(2,001)	(2,003)		(3,971)	(3,869)	
Other operating expenses	(1,163)	(3,077)		(3,493)	(5,305)	
Profit/(Loss) from operations	<u>955</u>	<u>(146)</u>	(7.54)	<u>2,730</u>	<u>2,290</u>	0.19
Finance costs	(694)	(709)		(1,610)	(1,368)	
Profit/(Loss) before tax	<u>261</u>	<u>(855)</u>	(1.31)	<u>1,120</u>	<u>922</u>	0.21
Income tax expense	(229)	(1,328)		(1,349)	(2,230)	
Profit/(Loss) net of tax	<u>32</u>	<u>(2,183)</u>	(1.01)	<u>(229)</u>	<u>(1,308)</u>	(0.82)
Other comprehensive income:						
Foreign currency translation	(1,099)	65		(1,572)	(487)	
Total comprehensive income for the period	<u>(1,067)</u>	<u>(2,118)</u>	(0.50)	<u>(1,801)</u>	<u>(1,795)</u>	0.00
Net Profit/(Loss) attributable to:						
Owners of the parent	(1,839)	(3,566)	(0.48)	(3,482)	(3,745)	(0.07)
Minority interest	1,871	1,383	0.35	3,253	2,437	0.33
	<u>32</u>	<u>(2,183)</u>	(1.01)	<u>(229)</u>	<u>(1,308)</u>	(0.82)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 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	+ / (-)
	30.6.2022 RM'000	30.6.2021 RM'000		30.6.2022 RM'000	30.6.2021 RM'000	
Total comprehensive income attributable to :						
Owners of the parent	(2,939)	(3,502)	0.16	(4,372)	(4,233)	0.03
Minority interest	1,872	1,384	0.35	2,571	2,438	0.05
	<u>(1,067)</u>	<u>(2,118)</u>	(0.50)	<u>(1,801)</u>	<u>(1,795)</u>	0.00
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen) *	<u>(0.28)</u>	<u>(0.54)</u>		<u>(0.53)</u>	<u>(0.57)</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 (203352-V)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022
(The figures have not been audited)

	Unaudited 30.6.2022 RM'000	Audited 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,532	44,995
Investment properties	36,268	36,626
Intangible assets	861	861
Deferred tax assets	3,755	2,376
	84,416	84,858
Current assets		
Inventories	87	77
Trade and other receivables	35,903	47,086
Contract assets	1,751	5,779
Tax recoverable	530	497
Other current financial assets	17,630	14,491
Cash and bank balances	27,466	30,572
	83,367	98,502
TOTAL ASSETS	167,783	183,360
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,970	65,970
Treasury shares	(364)	(364)
Other reserves	(1,653)	(763)
Retained earnings	(3,037)	445
	60,916	65,288
Non controlling interest	31,322	31,211
Total equity	92,238	96,499
Non-current liabilities		
Retirement benefits obligation	1,684	1,834
Deferred tax liabilities	4,332	4,045
Lease obligations	39	34
Interest bearing loans and borrowings	1,104	1,026
	7,159	6,939
Current liabilities		
Trade and other payables	13,815	22,541
Lease obligations	55	74
Interest bearing loans and borrowings	52,419	55,888
Tax payable	2,097	1,419
	68,386	79,922
Total Liabilities	75,545	86,861
TOTAL EQUITY AND LIABILITIES	167,783	183,360
Net assets per share attributable to equity holders of the parent (RM)	0.09	0.10

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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 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	Profits RM'000			
At 1 January 2021	65,970	(330)	(650)	8,542	73,532	30,510	104,042	
Total comprehensive income for the period	-	-	(488)	(3,745)	(4,233)	2,438	(1,795)	
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)	
Purchase of treasury shares	-	(34)	-	-	(34)	-	(34)	
At 30 June 2021	65,970	(364)	(1,138)	4,797	69,265	30,488	99,753	
At 1 January 2022	65,970	(364)	(763)	445	65,288	31,211	96,499	
Total comprehensive loss for the period	-	-	(890)	(3,482)	(4,372)	2,571	(1,801)	
Dividends payable to non-controlling interest	-	-	-	-	-	(2,460)	(2,460)	
At 30 June 2022	65,970	(364)	(1,653)	(3,037)	60,916	31,322	92,238	

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SECOND QUARTER ENDED 30 JUNE 2022
(The figures have not been audited)

	Cumulative Current Year To Date 30.6.2022 RM'000	Cumulative Corresponding Period 30.6.2021 RM'000
Cash flows from operating activities		
Profit before taxation	1,120	922
Adjustments for :		
Depreciation and amortisation	3,971	3,869
Provision for doubtful debt	596	-
Reversal of Provision for doubtful debt	(52)	(540)
Net foreign exchange gain	(2,984)	(625)
Finance cost	1,610	1,368
Profit income from deposit	(297)	(201)
Operating profit before working capital changes	<u>3,964</u>	<u>4,793</u>
Working capital changes :		
Decrease in receivable	13,050	798
(Increase)/Decrease in inventories and work-in-progress	(10)	104
Decrease in payables	(6,128)	(2,074)
Cash generated from operations	<u>10,876</u>	<u>3,621</u>
Finance cost paid	(1,610)	(1,368)
Taxation paid	(1,900)	(981)
Net cash generated from operating activities	<u>7,366</u>	<u>1,272</u>
Cash flows from investing activities		
(Placement)/Withdrawal of unit trust	(3,139)	4,637
Purchase of property plant and equipment	(1,764)	(2,735)
Profit received from deposits	297	201
Placement of deposits pledged	(64)	(61)
Net cash (used in)/generated from investing activities	<u>(4,670)</u>	<u>2,042</u>
Cash flows from financing activity		
Net drawdown from borrowings	3,477	2,000
Dividend paid to NCI	(2,460)	(2,460)
Net cash generated from/(used in) financing activity	<u>1,017</u>	<u>(460)</u>
Net increase in cash and cash equivalents	3,713	2,854
Cash and cash equivalents at 1 January 2022/2021	2,620	3,903
Cash and cash equivalents at 30 June 2022/2021	<u>6,333</u>	<u>6,757</u>
Cash and cash equivalents :		
Cash and bank balances	27,466	27,133
Overdraft	(11,175)	(12,695)
	<u>16,291</u>	<u>14,438</u>
Less: Restricted deposits	(9,958)	(7,681)
	<u>6,333</u>	<u>6,757</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 SECOND QUARTER ENDED 30 JUNE 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 25 August 2022.

A2. Basis of preparation

The consolidated condensed interim financial information for the year ended 30 June 2022 is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB), Appendix 9B (Part A) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements") and the requirements of the Companies Act, 2016 in Malaysia. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2021, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

Effective for Annual periods commencing on or after 1 January 2022

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

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

Adoption of the above MFRS and Amendments to MFRSs and Annual Improvement to Standards will have no material impact on the financial statements of the Group.

MFRSs and Amendments to MFRS issued but not yet effective

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

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

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

A4. Changes in estimates

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

FOR THE SECOND QUARTER ENDED 30 JUNE 2022
SELECTED EXPLANATORY NOTES

A5. Changes in composition of the Group

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

A6. Segment information

<u>30 June 2022</u>	Environmental Monitoring, Consultancy & Services	Lab Testing Services	Others*	Elimination	Cumulative Quarter Year To Date 30.6.2022 RM '000
	RM '000	RM '000	RM '000	RM '000	RM '000
External revenue	13,414	27,510	1,510	-	42,434
Inter- segment revenue	6	524	3,775	(4,305)	-
Total revenue	13,420	28,034	5,285	(4,305)	42,434
Segment Results					
Segment profit/(loss)					
from operations	(7,671)	10,536	2,951	(3,086)	2,730
Finance cost	(1,315)	(2)	(851)	558	(1,610)
Income tax expense	1,378	(2,727)	-	-	(1,349)
Loss net of tax					(229)
Non-controlling interest					(3,253)
Net loss for the period					(3,482)

<u>30 June 2021</u>	Environmental Monitoring, Consultancy & Services	Lab Testing Services	Others*	Elimination	Cumulative Quarter Year To Date 30.6.2021 RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
External revenue	17,431	23,781	1,296	-	42,508
Inter- segment revenue	188	530	3,713	(4,431)	-
Total revenue	17,619	24,311	5,009	(4,431)	42,508
Segment Results					
Segment profit/(loss) from operations	(2,963)	7,692	4,738	(7,177)	2,290
Financing cost	(1,167)	(3)	(759)	561	(1,368)
Income tax expense	(384)	(1,795)	(51)	-	(2,230)
Profit net of tax					(1,308)
Non-controlling interest					(2,437)
Net loss for the period					(3,745)

* 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.

FOR THE SECOND QUARTER ENDED 30 JUNE 2022
SELECTED EXPLANATORY NOTES

A8. Profit before taxation

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Profit before taxation is arrived at after charging:				
Zakat	97	101	198	203

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Tax expense :				
- Malaysia Income Tax	1,235	865	2,301	1,193
- Foreign Tax	136	115	370	243
- Deferred Tax	(1,142)	348	(1,322)	794
	229	1,328	1,349	2,230
Effective tax rate			120%	242%

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 3 months ended		Cumulative quarter 6 months ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
Profit for the period (RM'000)	(1,839)	(3,566)	(3,482)	(3,745)
Number of ordinary shares of RM0.10 each in issue ('000)	655,371	655,631	655,371	655,631
Basic Earnings Per Share (sen)	(0.28)	(0.54)	(0.53)	(0.57)

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.

FOR THE SECOND QUARTER ENDED 30 JUNE 2022
SELECTED EXPLANATORY NOTES

A12. Interest bearing loans and borrowings

	30.6.2022	31.12.2021
	RM'000	RM'000
Short term borrowings		
Hire purchase	974	1,704
Overdraft	11,175	18,057
Revolving Credit	27,032	23,600
Term loan	11,337	10,173
Trust receipt	1,901	2,354
	<u>52,419</u>	<u>55,888</u>
Long term borrowings		
Hire purchase	1,104	1,026
	<u>1,104</u>	<u>1,026</u>
Total borrowings	<u>53,523</u>	<u>56,914</u>

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

A13. Trade receivables

	30.6.2022	31.12.2021
	RM'000	RM'000
Trade and Other receivable	35,903	47,086
	<u>35,903</u>	<u>47,086</u>

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	30.6.2022	31.12.2021
	RM'000	RM'000
Capital expenditure		
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 30 June 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 June 2022.

PROGRESSIVE IMPACT CORPORATION BERHAD
Company No. 199001011782 (203352-V)

FOR THE SECOND QUARTER ENDED 30 JUNE 2022
SELECTED EXPLANATORY NOTES

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

Share buybacks/ Treasury shares of the Company

	30.6.2022	31.12.2021
	RM'000	RM'000
As at 1 January	364	330
Share buyback	-	34
As at 30 June/December	<u>364</u>	<u>364</u>

FOR THE SECOND QUARTER ENDED 30 JUNE 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

	Current Year To Date 30.6.2022 RM'000	Preceding Year Corresponding Period 30.6.2021 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental monitoring, consultancy & services	13,420	17,619	(4,199)	(0.24)
Lab testing services	28,034	24,311	3,723	0.15
Corporate holding and Elimination	980	578	402	(0.70)
	<u>42,434</u>	<u>42,508</u>	(74)	(0.00)
Segment results				
Environmental monitoring, consultancy & services	(7,671)	(2,963)	(4,708)	(1.59)
Lab testing services	10,536	7,692	2,844	0.37
Corporate holding and Elimination	(135)	(2,439)	2,304	0.94
Profit from operations	<u>2,730</u>	<u>2,290</u>	440	0.19
Finance charges	<u>(1,610)</u>	<u>(1,368)</u>	(242)	(0.18)
Profit before tax	1,120	922	198	0.21
Tax expense	<u>(1,349)</u>	<u>(2,230)</u>	881	0.40
Loss net of tax	(229)	(1,308)	1,079	(0.82)
Non controlling interest	<u>(3,253)</u>	<u>(2,437)</u>	(816)	(0.33)
Loss attributable to owners of the Company	<u><u>(3,482)</u></u>	<u><u>(3,745)</u></u>	263	0.07

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 slightly lower revenue compared to the preceding year mainly due to lower revenue from environmental monitoring, consultancy & services and higher revenue from lab testing services. The Group reported higher profit from operations by RM0.4 million.

FOR THE SECOND QUARTER ENDED 30 JUNE 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 32% of the total Group revenue.

The segment revenue has dropped by RM4.2 million compared to the preceding year due to lower revenue generated from Malaysia operations. Subsequently, profit from operations has also dropped by RM4.7 million due to lower revenue contributions as well as higher other operating expenses and financing cost incurred in the current financial year.

b) **Lab testing services**

Lab testing services segment revenue contributed 66% of the total Group revenue.

For the period ended 30 June 2022, the segment revenue and profit from operations was higher by RM3.7 million and RM2.8 million respectively 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 30.6.2022 RM'000	Preceding Quarter 31.03.2022 RM'000		
Revenue				
Environmental monitoring, consultancy & services	5,338	8,082	(2,744)	(0.34)
Lab testing services	13,994	14,040	(46)	(0.00)
Corporate holding and Elimination	568	412	156	0.38
	<u>19,900</u>	<u>22,534</u>	<u>(2,634)</u>	<u>(0.12)</u>
Segment results				
Environmental monitoring, consultancy & services	(4,460)	(3,211)	(1,249)	(0.39)
Lab testing services	5,054	5,482	(428)	(0.08)
Corporate holding and Elimination	361	(496)	857	(1.73)
Profit from operations	<u>955</u>	<u>1,775</u>	<u>(820)</u>	<u>(0.46)</u>
Finance charges	(694)	(916)	222	0.24
Profit before tax	<u>261</u>	<u>859</u>	<u>(598)</u>	<u>(0.70)</u>
Tax Expense	(229)	(1,120)	891	0.80
Profit/(Loss) net of tax	<u>32</u>	<u>(261)</u>	<u>293</u>	<u>(1.12)</u>
Non Controlling interest	(1,871)	(1,382)	(489)	(0.35)
Loss attributable to owners of the company	<u>(1,839)</u>	<u>(1,643)</u>	<u>(196)</u>	<u>(0.12)</u>

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 RM2.6 million compared to the preceding quarter ended 31 March 2022. The Group's profit from operations deteriorated by RM0.8 million compared to the preceding quarter ended 31 March 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 profit from operations by RM1.2 million compared to previous quarter ended 31 March 2022 due to lower revenue generation by RM2.7 million.

b) Lab testing services

Lab testing services segment reported slightly lower revenue and profit from operations as compared to previous quarter ended 31 March 2022.

B3. Commentary on prospects

The Malaysian economy registered a stronger growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While the GDP was lifted to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust.

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 war tension between China and Taiwan and also the impending 15th General Election.

Nevertheless the World Bank has expected Kingdom of Saudi Arabia's economic growth to accelerate to 7% in 2022 before leveling out at 3.8% and 3.0% in 2023 and 2024, respectively. Stronger oil output is the main driver behind the recovery, which is expected to grow by 13% in 2022.

The World Bank also projected the Indonesian economy to accelerate at 5% in 2022 and 5.3% in 2023 due to the release of pent-up demand, improved consumer confidence and improved terms of trade.

The ringgit depreciated by 4.6% against the US dollar in the second quarter of 2022 (YTD until 10 August 2022: -6.3%), broadly in line with the movement of regional currencies (2Q 2022: -4.7%; YTD: -5.8%), 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.

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.

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 continue to face challenges this year and in the near future. In response, the management will continue to implement prudent measures in order to minimize any adverse impact to the organizational performance.

FOR THE SECOND QUARTER ENDED 30 JUNE 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 June 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 June 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. Dividend

A Single Tier Final Dividend of 0.30 sen (or RM0.003) per share for the financial year ended 31 December 2021 which has been approved at the 30th Annual General Meeting held on 23 June 2022 has been paid to the shareholders on 14 July 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