

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**(The figures have not been audited)**

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 31.03.2020 RM'000	Preceding Quarter 31.03.2019 RM'000		Current Year To Date 31.03.2020 RM'000	Preceding Year To Date 31.03.2019 RM'000	
Revenue	18,050	25,552	(0.29)	18,050	25,552	(0.29)
Cost of sales	(5,671)	(10,426)		(5,671)	(10,426)	
<b>Gross profit</b>	<b>12,379</b>	<b>15,126</b>	<b>(0.18)</b>	<b>12,379</b>	<b>15,126</b>	<b>(0.18)</b>
Profit income	189	175		189	175	
Other income	542	241		542	241	
Staff costs	(6,405)	(7,342)		(6,405)	(7,342)	
Depreciation and amortisation	(1,518)	(1,371)		(1,518)	(1,371)	
Other operating expenses	(3,351)	(3,148)		(3,351)	(3,148)	
<b>Profit from operations</b>	<b>1,836</b>	<b>3,681</b>	<b>(0.50)</b>	<b>1,836</b>	<b>3,681</b>	<b>(0.50)</b>
Finance costs	(661)	(459)		(661)	(459)	
<b>Profit before tax</b>	<b>1,175</b>	<b>3,222</b>	<b>(0.64)</b>	<b>1,175</b>	<b>3,222</b>	<b>(0.64)</b>
Income tax expense	(447)	(1,237)		(447)	(1,237)	
<b>Profit net of tax</b>	<b>728</b>	<b>1,985</b>	<b>(0.63)</b>	<b>728</b>	<b>1,985</b>	<b>(0.63)</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	(2,718)	(237)		(2,718)	(237)	
<b>Other comprehensive income attributable to:</b>	<b>(2,718)</b>	<b>(237)</b>		<b>(2,718)</b>	<b>(237)</b>	
<b>Total comprehensive income for the period</b>	<b>(1,990)</b>	<b>1,748</b>	<b>(2.14)</b>	<b>(1,990)</b>	<b>1,748</b>	<b>(2.14)</b>
<b>Net profit attributable to:</b>						
Owners of the parent	(432)	419	(2.03)	(432)	419	(2.03)
Minority interest	1,160	1,566	(0.26)	1,160	1,566	(0.26)
	<b>728</b>	<b>1,985</b>	<b>(0.63)</b>	<b>728</b>	<b>1,985</b>	<b>(0.63)</b>

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**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**(The figures have not been audited)**  
**(CONT'D.)**

**Total comprehensive income**  
**attributable to :**

Owners of the parent	(1,865)	245	(8.61)	(1,865)	245	(8.61)
Minority interest	(125)	1,503	(1.08)	(125)	1,503	(1.08)
	<u>(1,990)</u>	<u>1,748</u>	(2.14)	<u>(1,990)</u>	<u>1,748</u>	(2.14)

**Earning per share attributable to equity holders of the parent**

<b>Basic earning per share (sen) *</b>	<u>(0.07)</u>	<u>0.06</u>	<u>(0.07)</u>	<u>0.06</u>
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The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 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 31 MARCH 2020**  
(The figures have not been audited)

	<b>Unaudited</b> <b>31.03.2020</b> <b>RM'000</b>	<b>Audited</b> <b>31.12.2019</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,453	40,669
Investment properties	37,876	38,055
Right-of-use assets	127	137
Intangible assets	861	861
Deferred tax assets	527	152
	<b>78,844</b>	<b>79,874</b>
<b>Current assets</b>		
Inventories	107	54
Trade and other receivables	40,140	41,022
Amount due from customer on contract	4,689	6,368
Other current financial assets	9,648	13,578
Tax recoverable	371	175
Cash and cash equivalents	19,940	22,207
	<b>74,895</b>	<b>83,404</b>
<b>TOTAL ASSETS</b>	<b>153,739</b>	<b>163,278</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	(330)	(330)
Other reserves	(1,808)	(375)
Retained earnings	14,528	14,960
	<b>78,360</b>	<b>80,225</b>
Non controlling interest	29,907	30,032
<b>Total equity</b>	<b>108,267</b>	<b>110,257</b>
<b>Non-current liabilities</b>		
Retirement benefits obligation	2,640	2,686
Deferred tax liabilities	3,023	3,306
Lease obligations	71	81
Interest bearing loans and borrowings	376	342
	<b>6,110</b>	<b>6,415</b>
<b>Current liabilities</b>		
Trade and other payables	13,998	17,891
Lease obligations	67	67
Interest bearing loans and borrowings	24,219	27,287
Tax payable	1,078	1,361
	<b>39,362</b>	<b>46,606</b>
<b>Total Liabilities</b>	<b>45,472</b>	<b>53,021</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>153,739</b>	<b>163,278</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>0.12</b>	<b>0.12</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 2019 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 FIRST QUARTER ENDED 31 MARCH 2020**  
(The figures have not been audited)

	← Attributable to owners of the company →							Total Equity RM'000
	← Non Distributable →				Distributable		Non controlling Interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
<b>At 1 January 2019</b>	65,970	-	(231)	(675)	15,322	80,386	28,381	108,767
Total comprehensive income for the period	-	-	-	(174)	419	245	1,503	1,748
Purchase of treasury shares	-	-	(26)	-	-	(26)	-	(26)
<b>At 31 March 2019</b>	<b>65,970</b>	<b>-</b>	<b>(257)</b>	<b>(849)</b>	<b>15,741</b>	<b>80,605</b>	<b>29,884</b>	<b>110,489</b>
<b>At 1 January 2020</b>	65,970	-	(330)	(375)	14,960	80,225	30,032	110,257
Total comprehensive income for the period	-	-	-	(1,433)	(432)	(1,865)	(125)	(1,990)
<b>At 31 March 2020</b>	<b>65,970</b>	<b>-</b>	<b>(330)</b>	<b>(1,808)</b>	<b>14,528</b>	<b>78,360</b>	<b>29,907</b>	<b>108,267</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 2019.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**(The figures have not been audited)**

	<b>Cumulative Current Year Quarter 31.03.2020 RM'000</b>	<b>Cumulative Preceding Year Period 31.03.2019 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	1,175	3,222
<b>Adjustments for :</b>		
Depreciation	1,343	1,200
Amortisation of Investment Properties	179	172
Amortisation of prepaid lease rental	-	6
Provision for retirement benefits	135	131
Net unrealised foreign exchanges (gain)/loss	(458)	249
Finance cost	661	459
Profit income from deposits	(189)	(175)
<b>Operating profit before working capital changes</b>	<u>2,846</u>	<u>5,264</u>
Working capital changes :		
Decrease/(Increase) in receivable	3,408	(4,289)
(Increase)/Decrease in inventories	(53)	28
(Decrease)/Increase in payables	(6,794)	941
<b>Cash (used in)/generated from operations</b>	<u>(593)</u>	<u>1,944</u>
Finance cost paid	(661)	(459)
Net of tax paid	(677)	(1,632)
<b>Net cash used in operating activities</b>	<u>(1,931)</u>	<u>(147)</u>
<b>Cash flows from investing activities</b>		
Withdrawal/(Placement) of unit trust	3,930	(2,404)
Purchase of property, plant & equipment	(1,422)	(1,078)
Land conversion charges	-	(1,441)
Profit received from deposits	189	175
Movement in restricted deposits	(7)	-
<b>Net cash generated from/(used in) investing activities</b>	<u>2,690</u>	<u>(4,748)</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	2,243	991
Purchase of treasury shares	-	(25)
<b>Net cash generated from financing activities</b>	<u>2,243</u>	<u>966</u>
<b>Net decrease in cash and cash equivalents</b>	3,002	(3,929)
<b>Cash and cash equivalents at 1 January 2020/2019</b>	(1,028)	521
<b>Cash and cash equivalents at 31 March 2020/2019</b>	<u>1,974</u>	<u>(3,408)</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**(The figures have not been audited)**  
**(CONT'D)**

**Cash and cash equivalents :**

Cash and bank balances	19,940	19,745
Overdraft	<u>(10,214)</u>	<u>(14,453)</u>
	9,726	5,292
Less: Restricted deposits	<u>(7,752)</u>	<u>(8,700)</u>
	<u>1,974</u>	<u>(3,408)</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 2019 and the accompanying explanatory notes attached to the financial statements.

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**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 16 June 2020.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the 3 months ended 31 March 2020 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 2019, 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 2020**

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2020.

Amendments to MFRS 2: Share-based Payment	1 January 2020
Amendments to MFRS 3: Business Combination	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 : Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020

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>
MFRS17: Insurance Contract	1 January 2021
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 10, MFRS 128 : Sales or Contribution of Assets between Investor and its Associate and 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 2019.

**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. 203352-V)

**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**SELECTED EXPLANATORY NOTES**

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

No changes in composition of group for quarter ended 31 March 2020.

**A6. Segment information**

**31 March 2020**

	<b>Environmental consultancy &amp; monitoring services RM '000</b>	<b>Laboratory testing services RM '000</b>	<b>Others* RM '000</b>	<b>Group adjustment &amp; elimination RM '000</b>	<b>Cumulative Quarter Ended 31.03.2020 RM '000</b>
<b>Segment Revenue</b>					
External revenue	4,715	13,610	758	(1,033)	18,050
Inter- segment revenue	136	280	94	(510)	-
<b>Total revenue</b>	<b>4,851</b>	<b>13,890</b>	<b>852</b>	<b>(1,543)</b>	<b>18,050</b>

**Segment Results**

Segment profit/(loss)					
from operations	(2,260)	5,078	(86)	(896)	1,836
Finance cost	(511)	-	(377)	227	(661)
Income tax expense	498	(915)	(30)	-	(447)
<b>Profit net of tax</b>					<b>728</b>
Non-controlling interest					(1,160)
<b>Net loss for the period</b>					<b>(432)</b>

**31 March 2019**

	<b>Environmental consultancy &amp; monitoring services RM'000</b>	<b>Laboratory testing services RM'000</b>	<b>Others* RM'000</b>	<b>Group adjustment &amp; elimination RM'000</b>	<b>Cumulative Quarter Ended 31.03.2019 RM'000</b>
<b>Segment Revenue</b>					
External revenue	12,035	12,800	717	-	25,552
Inter- segment revenue	4	270	88	(362)	-
<b>Total revenue</b>	<b>12,039</b>	<b>13,070</b>	<b>805</b>	<b>(362)</b>	<b>25,552</b>

**Segment Results**

Segment profit/(loss)					
from operations	22	4,781	(875)	(247)	3,681
Financing cost	(286)	-	(417)	244	(459)
Income tax expense	(226)	(947)	(64)	-	(1,237)
<b>Profit net of tax</b>					<b>1,985</b>
Non-controlling interest					(1,566)
<b>Net profit for the period</b>					<b>419</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 consultancy & monitoring services, laboratory testing services, waste water treatment & solution.

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



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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**SELECTED EXPLANATORY NOTES**

**A7. Seasonality or cyclicity**

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

**A8. Profit before taxation**

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Unrealised foreign exchange currency (gain)/loss	(458)	249	(458)	249

**A9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	790	739	790	739
- Foreign Tax	315	175	315	175
- Deferred Tax	(658)	323	(658)	323
Tax expense	447	1,237	447	1,237
Effective tax rate			38%	38%

The effective tax rate for 2020 and 2019 is higher than the statutory income tax rate of 24% .This is due to losses incurred by companies within the group which has lowered the basis for the computation of the effective tax rate.

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**SELECTED EXPLANATORY NOTES**

**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 3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit for the period (RM'000)	(432)	419	(432)	419
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	656,609	655,631	656,609
Basic Earnings Per Share (sen)	(0.07)	0.06	(0.07)	0.06

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**

	31.03.2020 RM'000	31.12.2019 RM'000
<b>Short term borrowings</b>		
Hire purchase	216	340
Overdraft	10,214	15,491
Revolving Credit	11,040	10,038
Term loan	2,749	1,418
	<u>24,219</u>	<u>27,287</u>
<b>Long term borrowings</b>		
Hire purchase	376	342
	<u>376</u>	<u>342</u>
<b>Total borrowings</b>	<u>24,595</u>	<u>27,629</u>

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

**A13. Trade receivables**

	31.03.2020 RM'000	31.12.2019 RM'000
Trade and Other receivable	40,140	41,022

**A14. Dividends**

No dividend declared or paid during current quarter.

**A15. Commitments**

	31.03.2020 RM'000	31.12.2019 RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	345	180
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>345</u>	<u>180</u>

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**SELECTED EXPLANATORY NOTES**

**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 2019.

**A17. Related party transactions**

The transactions between related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

**A18. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2020.

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

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

	<b>31.03.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	330	231
Share buyback	-	99
As at 31 March/December	<u>330</u>	<u>330</u>

FOR THE FIRST QUARTER ENDED 31 MARCH 2020  
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 31.03.2020 RM'000	Preceding year corresponding period 31.03.2019 RM'000	Changes Amount RM'000	Changes + / (-)
<b>Revenue</b>				
Environmental consultancy & monitoring services	4,851	12,039	(7,188)	(0.60)
Laboratory testing services	13,890	13,070	820	0.06
Corporate holding, Adjustment and Elimination	(691)	443	(1,134)	(2.56)
	<u>18,050</u>	<u>25,552</u>	<u>(7,502)</u>	<u>(0.29)</u>
<b>Segment results</b>				
Environmental consultancy & monitoring services	(2,260)	22	(2,282)	>(1.00)
Laboratory testing services	5,078	4,781	297	0.06
Corporate holding, Adjustment and Elimination	(982)	(1,122)	140	0.12
Profit from operations	<u>1,836</u>	<u>3,681</u>	<u>(1,845)</u>	<u>(0.50)</u>
Finance charges	(661)	(459)	(202)	(0.44)
Profit before tax	<u>1,175</u>	<u>3,222</u>	<u>(2,047)</u>	<u>(0.64)</u>
Tax Expense	(447)	(1,237)	790	0.64
Profit net of tax	<u>728</u>	<u>1,985</u>	<u>(1,257)</u>	<u>(0.63)</u>
Non controlling interest	(1,160)	(1,566)	406	0.26
(Loss) / profit attributable to owners of the Company	<u>(432)</u>	<u>419</u>	<u>(851)</u>	<u>2.03</u>

1.1 Segments Background:

The Group is organised into two operating segments as follows based on products offered and services rendered :

- The environmental consultancy & monitoring services segment includes the provision of environmental related services in air, water, wastewater and public health.
- The laboratory testing services segment includes the provision of environmental and food testing and analysis services.

1.2 Group and Segments Analysis

**Group Analysis:**

For the quarter ended 31 March 2020, the Group reported lower revenue by RM7.5 million compared to the preceding year corresponding quarter ended 31 March 2019 due to lower revenue mainly for environmental consultancy & monitoring services. The Group reported lower profit from operations by RM1.8 million mainly due to losses from environmental consultancy & monitoring services and lower profit for laboratory testing services.

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

a) **Environmental consultancy & monitoring services**

Environmental consultancy & monitoring services segment revenue contributed 27% of the total Group revenue.

The segment revenue is lower by 60% compared to the preceding year corresponding quarter ended 31 March 2019, due to delay in generating revenue from the secured projects as a result of the movement control order from Malaysia operation. Furthermore, the segment incurred loss from operation of RM1.8 million for the quarter ended 31 March 2020.

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**  
**SELECTED EXPLANATORY NOTES**

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

b) **Laboratory testing services**

Laboratory testing services segment revenue contributed 77% of the total Group revenue.

For the quarter ended 31 March 2020, the segment revenue is higher by 6% compared to the preceding year corresponding quarter ended 31 March 2019. The segment profit from operation is higher by 6% for the same period under review.

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

	Individual Quarter		Changes Amount RM'000	Changes + / (-)
	Current Quarter 31.03.2020 RM'000	Preceding Quarter 31.12.2019 RM'000		
<b>Revenue</b>				
Environmental consultancy & monitoring services	4,851	8,872	(4,021)	(0.45)
Laboratory testing services	13,890	14,301	(411)	(0.03)
Corporate holding, Adjustment and Elimination	(691)	1,444	(2,135)	(1.48)
	<u>18,050</u>	<u>24,617</u>	<u>(6,567)</u>	<u>(0.27)</u>
<b>Segment results</b>				
Environmental consultancy & monitoring services	(2,260)	1,737	(3,997)	(2.30)
Laboratory testing services	5,078	4,329	749	0.17
Corporate holding, Adjustment and Elimination	(982)	552	(1,534)	(2.78)
Profit from operations	<u>1,836</u>	<u>6,618</u>	<u>(4,782)</u>	<u>(0.72)</u>
Finance charges	(661)	(897)	236	(0.26)
Profit before tax	<u>1,175</u>	<u>5,721</u>	<u>(4,546)</u>	<u>(0.79)</u>
Tax Expense	(447)	(3,202)	2,755	(0.86)
(Loss) / Profit net of tax	<u>728</u>	<u>2,519</u>	<u>(1,791)</u>	<u>(0.71)</u>
Non Controlling interest owners of the company	(1,160)	(1,577)	417	(0.26)
	<u>(432)</u>	<u>942</u>	<u>(1,374)</u>	<u>(1.46)</u>

**2.1 Group and Segments Analysis**

**Group Analysis:**

For the quarter ended 31 March 2020, the Group's revenue was lower by 27% compared to the preceding quarter ended 31 December 2019 due to lower revenue from environmental consultancy & monitoring services and laboratory testing services. Furthermore, the Group reported lower profit from operations by 72% compared to the preceding year quarter ended 31 December 2019.

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

a) **Environmental consultancy & monitoring services**

Environmental consultancy & monitoring services reported a loss from operations amounted to RM2.3 million for the quarter ended 31 March 2020 as compared to profit of RM1.7 million in the previous quarter ended 31 December 2019 which was lower due to loss incurred by the Malaysia and Saudi operations in Q1 2020 compared to profit generated in Q4 2019 for both.

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

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**  
**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 (cont'd)**

b) **Laboratory testing services**

Laboratory testing services segment reported lower revenue due to lower number of tests carried out by the Malaysia operation. However, the segment profit from operation is higher by 17% for the same period under review due to higher margin from Food and Pharmaceutical segment and lower operating expenses.

**B3. Commentary on prospects**

The business outlook for PICORP is mixed against the backdrop of the novel coronavirus (COVID-19) pandemic coupled with the oil price crash which has resulted in a rippling effect of global recession. In coping with the fast-changing landscape and the potential long-drawn recovery process, the management is 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 measures include the implementation of cost containment measures, upholding the social distancing and good sanitation procedures at the workplace as well as stringent health and safety protocols to ensure employee safety.

Despite these measures and the strength of its core businesses, given the fluidity of the unprecedented crisis, the Board remains cautious on its outlook for the remaining year.

**B4. Profit forecast or profit guarantee**

There were no profit forecast or profit guarantee issued by the Group.

**B5. Corporate proposals**

There were no corporate proposal issued by the group for quarter ended 31 March 2020.

**B6. Disclosure of gains/(losses) arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2020.

**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 2019 was not qualified.

By order of the Board

**PROGRESSIVE IMPACT CORPORATION BERHAD**

Hajjah Zaidah Binti Haji Mohd Salleh

Company Secretary (MIA 3313)

Shah Alam