

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**  
(The figures have not been audited)

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 30.06.2020 RM'000	Preceding Quarter 30.06.2019 RM'000		Current Year To Date 30.06.2020 RM'000	Preceding Year To Date 30.06.2019 RM'000	
Revenue	15,926	23,188	(0.31)	33,976	48,740	(0.30)
Cost of sales	(4,888)	(7,519)		(10,559)	(17,945)	
<b>Gross profit</b>	<b>11,038</b>	<b>15,669</b>	<b>(0.30)</b>	<b>23,417</b>	<b>30,795</b>	<b>(0.24)</b>
Profit income	174	204		363	316	
Other income	70	89		612	259	
Staff costs	(7,861)	(8,080)		(14,266)	(15,803)	
Depreciation and amortisation	(1,496)	(1,529)		(3,014)	(2,900)	
Other operating expenses	(1,188)	(2,507)		(4,539)	(5,140)	
<b>Profit from operations</b>	<b>737</b>	<b>3,846</b>	<b>(0.81)</b>	<b>2,573</b>	<b>7,527</b>	<b>(0.66)</b>
Finance costs	(484)	(520)		(1,145)	(979)	
<b>Profit before tax</b>	<b>253</b>	<b>3,326</b>	<b>(0.92)</b>	<b>1,428</b>	<b>6,548</b>	<b>(0.78)</b>
Income tax expense	(1,461)	(1,151)		(1,908)	(2,388)	
<b>(Loss)/profit net of tax</b>	<b>(1,208)</b>	<b>2,175</b>	<b>(1.56)</b>	<b>(480)</b>	<b>4,160</b>	<b>(1.12)</b>
<b>Other comprehensive (loss)/income:</b>						
Foreign currency translation	1,591	438		(1,127)	201	
<b>Other comprehensive (loss)/income attributable to:</b>	<b>1,591</b>	<b>438</b>		<b>(1,127)</b>	<b>201</b>	
<b>Total comprehensive (loss)/income for the period</b>	<b>383</b>	<b>2,613</b>	<b>(0.85)</b>	<b>(1,607)</b>	<b>4,361</b>	<b>(1.37)</b>
<b>Net (loss)/profit attributable to:</b>						
Owners of the parent	(1,957)	774	(3.53)	(2,389)	1,193	(3.00)
Minority interest	749	1,401	(0.47)	1,909	2,967	(0.36)
	<b>(1,208)</b>	<b>2,175</b>	<b>(1.56)</b>	<b>(480)</b>	<b>4,160</b>	<b>(1.12)</b>

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 (Company No. 203352-V)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**  
 (The figures have not been audited)  
 (CONT'D.)

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 30.06.2020 RM'000	Preceding Quarter 30.06.2019 RM'000		Current Year To Date 30.06.2020 RM'000	Preceding Year To Date 30.06.2019 RM'000	
<b>Total comprehensive (loss)/income attributable to :</b>						
Owners of the parent	(870)	1,211	(1.72)	(2,735)	1,456	(2.88)
Minority interest	1,253	1,402	(0.11)	1,128	2,905	(0.61)
	<b>383</b>	<b>2,613</b>	<b>(0.85)</b>	<b>(1,607)</b>	<b>4,361</b>	<b>(1.37)</b>
<b>Earning per share attributable to equity holders of the parent</b>						
Basic earning per share (sen) *	<b>(0.30)</b>	<b>0.12</b>		<b>(0.30)</b>	<b>0.12</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 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 30 JUNE 2020**  
(The figures have not been audited)

	<b>Unaudited 30.06.2020 RM'000</b>	<b>Audited 31.12.2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	40,133	40,669
Investment properties	37,698	38,055
Right-of-use assets	137	137
Intangible assets	861	861
Deferred tax assets	527	152
	<u>79,356</u>	<u>79,874</u>
<b>Current assets</b>		
Inventories	17	54
Trade and other receivables	42,648	41,022
Amount due from customer on contract	4,498	6,368
Other current financial assets	8,736	13,578
Tax recoverable	312	175
Cash and bank balances	18,602	22,207
	<u>74,813</u>	<u>83,404</u>
<b>TOTAL ASSETS</b>	<u>154,169</u>	<u>163,278</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	(330)	(330)
Other reserves	(721)	(375)
Retained earnings	12,571	14,960
	<u>77,490</u>	<u>80,225</u>
Non controlling interest	28,905	30,032
<b>Total equity</b>	<u>106,395</u>	<u>110,257</u>
<b>Non-current liabilities</b>		
Retirement benefits obligation	2,812	2,686
Deferred tax liabilities	2,849	3,306
Lease obligations	81	81
Interest bearing loans and borrowings	192	342
	<u>5,934</u>	<u>6,415</u>
<b>Current liabilities</b>		
Trade and other payables	15,667	17,891
Lease obligations	67	67
Interest bearing loans and borrowings	24,428	27,287
Tax payable	1,678	1,361
	<u>41,840</u>	<u>46,606</u>
<b>Total Liabilities</b>	<u>47,774</u>	<u>53,021</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>154,169</u>	<u>163,278</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>0.12</u>	<u>0.12</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 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 SECOND QUARTER ENDED 30 JUNE 2020**  
**(The figures have not been audited)**

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable	Non		Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Controlling Interest RM'000	
<b>At 1 January 2019</b>	65,970	(231)	(675)	15,322	80,386	28,381	
Total comprehensive income for the period	-	-	263	1,193	1,456	2,905	4,361
Dividend paid	-	-	-	(2,050)	(2,050)	-	(2,050)
Purchase of treasury shares	-	(81)	-	-	(81)	-	(81)
<b>At 30 June 2019</b>	<b>65,970</b>	<b>(312)</b>	<b>(412)</b>	<b>14,465</b>	<b>79,711</b>	<b>31,286</b>	<b>110,997</b>
<b>At 1 January 2020</b>	65,970	(330)	(375)	14,960	80,225	30,032	110,257
Total comprehensive loss for the period	-	-	(346)	(2,389)	(2,735)	1,128	(1,607)
Dividends paid to non-controlling interest	-	-	-	-	-	(2,255)	(2,255)
<b>At 30 June 2020</b>	<b>65,970</b>	<b>(330)</b>	<b>(721)</b>	<b>12,571</b>	<b>77,490</b>	<b>28,905</b>	<b>106,395</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**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**  
**(The figures have not been audited)**

	<b>Cumulative Current Year To Date 30.06.2020 RM'000</b>	<b>Cumulative Preceding Year To Date 30.06.2019 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	1,428	6,548
<b>Adjustments for :</b>		
Depreciation and amortisation	3,014	2,888
Loss/(gain) on disposal of property, plant and equipment	-	548
Amortisation of prepaid lease rental	-	12
Provision for retirement benefits	-	144
Provision for doubtful debts	41	-
Reversal of impairment of receivable	(23)	-
Net unrealised foreign exchanges (gain)/loss	(48)	4
Finance cost	1,145	979
Profit income from deposits	(248)	(146)
Dividend from unit trust	(115)	(177)
<b>Operating profit before working capital changes</b>	<u>5,193</u>	<u>10,800</u>
Working capital changes :		
Increase in receivable	(16,433)	(5,457)
Decrease in inventories and work-in-progress	37	-
Increase in payables	<u>12,133</u>	<u>6,372</u>
<b>Cash generated from operations</b>	<u>930</u>	<u>11,715</u>
Finance cost paid	(1,145)	(979)
Tax paid	<u>(1,435)</u>	<u>(3,828)</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(1,651)</u>	<u>6,908</u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant & equipment	-	32
Placement of unit trust	4,842	1,631
Purchase of property, plant & equipment	(1,907)	(3,371)
Land conversion charges	-	(1,441)
Profit received from deposits	248	146
Dividend in unit trust	<u>115</u>	<u>177</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>3,298</u>	<u>(2,826)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(3,306)	(531)
Drawdown of borrowings	4,422	-
Purchase of treasury shares	-	(81)
Dividend	-	(2,050)
Dividend paid to NCI	<u>(2,255)</u>	<u>-</u>
<b>Net cash used in financing activities</b>	<u>(1,139)</u>	<u>(2,662)</u>
<b>Net decrease in cash and cash equivalents</b>	508	1,420
<b>Cash and cash equivalents at 1 January 2020/2019</b>	(1,028)	521
<b>Cash and cash equivalents at 30 June 2020/2019</b>	<u>(520)</u>	<u>1,941</u>

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**  
**(The figures have not been audited)**  
**(CONT'D)**

	<b>Cumulative Current Year 30.06.2020 RM'000</b>	<b>Cumulative Preceding Year 30.06.2019 RM'000</b>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	18,602	18,593
Overdraft	<u>(11,367)</u>	<u>(9,122)</u>
	7,235	9,471
Less: Restricted deposits	<u>(7,755)</u>	<u>(7,530)</u>
	<u><u>(520)</u></u>	<u><u>1,941</u></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**  
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**FOR THE SECOND QUARTER ENDED 30 JUNE 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 26 August 2020.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the 6 months ended 30 June 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  
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FOR THE SECOND QUARTER ENDED 30 JUNE 2020  
SELECTED EXPLANATORY NOTES

A5. Changes in composition of the Group

No changes in composition of group for quarter ended 30 June 2020.

A6. Segment information

**30 June 2020**

	Environmental Consultancy & Monitoring				Laboratory	Cumulative Quarter Year To Date
	Services	Services	Others*	Elimination	30.06.2020	
	RM '000	RM '000	RM '000	RM '000	RM '000	
External revenue	9,258	24,389	1,362	(1,033)	33,976	
Inter- segment revenue	168	400	3,418	(3,986)	-	
<b>Total revenue</b>	<b>9,426</b>	<b>24,789</b>	<b>4,780</b>	<b>(5,019)</b>	<b>33,976</b>	

**Segment Results**

Segment profit/(loss) from operations	(3,933)	7,575	2,623	(3,692)	2,573
Finance cost	(701)	-	(731)	287	(1,145)
Income tax expense	368	(2,216)	(60)	-	(1,908)
<b>Loss net of tax</b>					<b>(480)</b>
Non-controlling interest					(1,909)
<b>Net loss for the period</b>					<b>(2,389)</b>

**30 June 2019**

	Environmental Consultancy & Monitoring				Laboratory	Cumulative Quarter Year To Date
	Services	Services	Others*	Elimination	30.06.2019	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Segment Revenue</b>						
External revenue	21,167	26,139	1,434	-	48,740	
Inter- segment revenue	149	444	3,137	(3,730)	-	
<b>Total revenue</b>	<b>21,316</b>	<b>26,583</b>	<b>4,571</b>	<b>(3,730)</b>	<b>48,740</b>	

**Segment Results**

Segment profit/(loss) from operations	290	9,624	998	(3,385)	7,527
Financing cost	(631)	-	(795)	447	(979)
Income tax expense	(19)	(2,263)	(106)	-	(2,388)
<b>Profit net of tax</b>					<b>4,160</b>
Non-controlling interest					(2,967)
<b>Net profit for the period</b>					<b>1,193</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 and monitoring 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 SECOND QUARTER ENDED 30 JUNE 2020**  
**SELECTED EXPLANATORY NOTES**

**A7. Seasonality or cyclicality**

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

**A8. Profit before taxation**

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Unrealised foreign exchange currency (gain)/losses	410	(245)	(48)	4

**A9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	1,377	978	2,167	1,717
- Foreign Tax	258	399	573	574
- Deferred Tax	(174)	(226)	(832)	97
Tax expense	1,461	1,151	1,908	2,388
Effective tax rate			134%	36%

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**  
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**FOR THE SECOND QUARTER ENDED 30 JUNE 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 6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Profit for the period (RM'000)	(1,957)	774	(2,389)	1,193
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,796	655,631	655,796
Basic Earnings Per Share (sen)	(0.30)	0.12	(0.36)	0.18

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**

	30.06.2020 RM'000	31.12.2019 RM'000
<b>Short term borrowings</b>		
Hire purchase	376	340
Overdraft	11,367	15,491
Revolving Credit	11,227	10,038
Term loan	1,458	1,418
	<u>24,428</u>	<u>27,287</u>
<b>Long term borrowings</b>		
Hire purchase	192	342
	<u>192</u>	<u>342</u>
<b>Total borrowings</b>	<u>24,620</u>	<u>27,629</u>

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

**A13. Trade receivables**

	30.06.2020 RM'000	31.12.2019 RM'000
Trade and Other receivable	<u>42,648</u>	<u>48,250</u>

**A14. Dividends**

No dividend declared or paid during current quarter.

**A15. Commitments**

	30.06.2020 RM'000	31.12.2019 RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	977	225
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>977</u>	<u>225</u>

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 June 2020.

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

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

	<b>30.06.2020</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 30 June/December	<u>330</u>	<u>330</u>

**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 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000	Changes Amount RM'000	Changes + / (-)
<b><u>Revenue</u></b>				
Environmental consultancy and monitoring services	9,426	21,316	(11,890)	(0.56)
Laboratory services	24,789	26,583	(1,794)	(0.07)
Corporate holding and Elimination	(239)	841	(1,080)	(1.28)
	33,976	48,740	(14,764)	(0.30)
<b><u>Segment results</u></b>				
Environmental consultancy and monitoring services	(3,933)	290	(4,223)	(14.56)
Laboratory services	7,575	9,624	(2,049)	(0.21)
Corporate holding and Elimination	(1,069)	(2,387)	1,318	0.55
Profit from operations	2,573	7,527	(4,954)	(0.66)
Finance charges	(1,145)	(979)	(166)	(0.17)
Profit before tax	1,428	6,548	(5,120)	(0.78)
Tax expense	(1,908)	(2,388)	480	0.20
(Loss)/profit net of tax	(480)	4,160	(4,640)	(1.12)
Non controlling interest	(1,909)	(2,967)	1,058	0.36
(Loss)/profit attributable to owners of the Company	(2,389)	1,193	(3,582)	3.00

**1.1 Segments Background:**

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

- (a) The environmental consultancy and monitoring 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:**

For the first six months ended 30 June 2020, the Group reported lower revenue by RM14.8million compared to the preceding year corresponding period ended 30 June 2019 mainly due to lower revenue from environmental consultancy and monitoring services. The Group reported lower profit from operations by RM5million mainly due to loss incurred from environmental consultancy and monitoring services and lower profit for laboratory services.

FOR THE SECOND QUARTER ENDED 30 JUNE 2020  
SELECTED EXPLANATORY NOTES

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

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

a) **Environmental consultancy and monitoring services**

Environmental consultancy and monitoring services segment revenue contributed 28% of the total Group revenue.

The segment revenue and profit is lower by RM11.9million and RM4.2million respectively compared to the preceding year corresponding period ended 30 June 2019. This was due to low revenue generated from Malaysia and Saudi operations and delay in securing orders. The drop in revenue and profit also contributed by the movement control order and lockdown in Q2 2020 due to Covid-19 pandemic.

b) **Laboratory services**

Laboratory services segment revenue contributed 73% of the total Group revenue.

For the first six months ended 30 June 2020, the segment revenue and profit is lower by RM1.8million and RM2million respectively compared to the preceding year corresponding period ended 30 June 2019 due to lower revenue resulted from Movement Control Order (MCO) for both Malaysia and Indonesia operation.

**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 30.06.2020 RM'000	Preceding Quarter 31.03.2020 RM'000		
<b>Revenue</b>				
Environmental consultancy & monitoring services	4,575	4,851	(276)	(0.06)
Laboratory services	10,899	13,890	(2,991)	(0.22)
Corporate holding and Elimination	452	(691)	1,143	(1.65)
	<u>15,926</u>	<u>18,050</u>	<u>(2,124)</u>	<u>(0.12)</u>
<b>Segment results</b>				
Environmental consultancy & monitoring services	(1,673)	(2,260)	587	(0.26)
Laboratory services	2,497	5,078	(2,581)	(0.51)
Corporate holding and Elimination	(87)	(982)	895	(0.91)
Profit from operations	<u>737</u>	<u>1,836</u>	<u>(1,099)</u>	<u>(0.60)</u>
Finance charges	<u>(484)</u>	<u>(661)</u>	177	(0.27)
Profit before tax	253	1,175	(922)	(0.78)
Tax Expense	<u>(1,461)</u>	<u>(447)</u>	<u>(1,014)</u>	2.27
(Loss)/Profit net of tax	<u>(1,208)</u>	<u>728</u>	<u>(1,936)</u>	<u>(2.66)</u>
Non Controlling interest	(749)	(1,160)	411	(0.35)
Loss attributable to owners of the company	<u><u>(1,957)</u></u>	<u><u>(432)</u></u>	<u><u>(1,525)</u></u>	<u><u>3.53</u></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:**

For the quarter ended 30 June 2020, the Group's revenue and profit from operations was lower by 12% and 60% respectively compared to the preceding quarter ended 31 March 2020 due to lower revenue from laboratory services.

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

**a) Environmental consultancy and monitoring services**

Environmental consultancy and monitoring services reported a loss from operations amounted to RM1.7million for the quarter ended 30 June 2020 as compared to loss of RM2.3million in the previous quarter ended 31 March 2020 due to lower revenue generated resulted from Movement Control Order (MCO).

**b) Laboratory services**

Laboratory services segment reported lower revenue and profit from operations by RM3million and RM2.6million respectively as compared to previous quarter ended 31 March 2020 due to lower revenue resulted from Movement Control Order (MCO) for both Malaysia and Indonesia operation.

**B3. Commentary on prospects**

Amidst the continuous global adverse economic condition arising from the Covid-19 pandemic and the possible slow road to recovery, PICORP will continue to proceed with caution against the economic turmoil. To mitigate the fast-changing landscape and unpredictable economic recovery, 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 the strength of its core businesses and 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 30 June 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 30 June 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