

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

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

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.09.2020 RM'000	Preceding year Corresponding Quarter 30.09.2019 RM'000	+ / (-)	Current Year To Date 30.09.2020 RM'000	Preceding year Corresponding Period 30.09.2019 RM'000	+ / (-)
Revenue	26,213	26,148	0.00	60,189	74,888	(0.20)
Cost of sales	(11,471)	(9,819)		(22,030)	(27,764)	
Gross profit	14,742	16,329	(0.10)	38,159	47,124	(0.19)
Profit income	12	44		375	360	
Other income	197	79		809	338	
Staff costs	(6,288)	(8,140)		(20,554)	(23,943)	
Depreciation and amortisation	(1,732)	(1,499)		(4,746)	(4,399)	
Other operating expenses	(2,731)	(3,623)		(7,270)	(8,763)	
Profit from operations	4,200	3,190	0.32	6,773	10,717	(0.37)
Finance costs	(556)	(347)		(1,701)	(1,326)	
Profit before tax	3,644	2,843	0.28	5,072	9,391	(0.46)
Income tax expense	(1,442)	(1,873)		(3,350)	(4,261)	
Profit net of tax	2,202	970	1.27	1,722	5,130	(0.66)
Other comprehensive (loss)/income:						
Foreign currency translation	(1,045)	212		(2,172)	413	
Other comprehensive (loss)/income attributable to:	(1,045)	212		(2,172)	413	
Total comprehensive (loss)/income for the period	1,157	1,182	(0.02)	(450)	5,543	(1.08)
Net (loss)/profit attributable to:						
Owners of the parent	(13)	(201)	(0.94)	(2,402)	992	(3.42)
Minority interest	2,215	1,171	0.89	4,124	4,138	(0.00)
	2,202	970	1.27	1,722	5,130	(0.66)

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

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.09.2020 RM'000	Preceding year Corresponding Quarter 30.09.2019 RM'000	+ / (-)	Current Year To Date 30.09.2020 RM'000	Preceding year Corresponding Period 30.09.2019 RM'000	+ / (-)
Total comprehensive (loss)/income attributable to :						
Owners of the parent	(849)	11	(78.18)	(3,584)	1,467	(3.44)
Minority interest	2,006	1,171	0.71	3,134	4,076	(0.23)
	<u>1,157</u>	<u>1,182</u>	(0.02)	<u>(450)</u>	<u>5,543</u>	(1.08)
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen) *	<u>0.00</u>	<u>(0.03)</u>		<u>(0.37)</u>	<u>0.15</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 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 SEPTEMBER 2020
(The figures have not been audited)

	Unaudited 30.09.2020 RM'000	Audited 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,188	40,669
Investment properties	37,519	38,055
Right-of-use assets	137	137
Intangible assets	861	861
Deferred tax assets	765	152
	81,470	79,874
Current assets		
Inventories	22	54
Trade and other receivables	45,980	41,022
Amount due from customer on contract	1,918	6,368
Other current financial assets	11,524	13,578
Tax recoverable	480	175
Cash and bank balances	22,046	22,207
	81,970	83,404
TOTAL ASSETS	163,440	163,278
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,970	65,970
Treasury shares	(330)	(330)
Other reserves	(1,557)	(375)
Retained earnings	8,952	14,960
	73,035	80,225
Non controlling interest	30,911	30,032
Total equity	103,946	110,257
Non-current liabilities		
Retirement benefits obligation	2,738	2,686
Deferred tax liabilities	3,161	3,306
Lease obligations	81	81
Interest bearing loans and borrowings	2,807	342
	8,787	6,415
Current liabilities		
Trade and other payables	13,498	17,891
Lease obligations	67	67
Interest bearing loans and borrowings	34,339	27,287
Tax payable	2,803	1,361
	50,707	46,606
Total Liabilities	59,494	53,021
TOTAL EQUITY AND LIABILITIES	163,440	163,278
Net assets per share attributable to equity holders of the parent (RM)	0.11	0.12

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 THIRD QUARTER ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable		Non Controlling Interest	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2019	65,970	(231)	(675)	15,322	80,386	28,381	108,767
Total comprehensive income for the period	-	-	475	992	1,467	4,076	5,543
Dividend paid	-	-	-	(2,296)	(2,296)	-	(2,296)
Dividend payable to non-controlling interest	-	-	-	-	-	(2,050)	(2,050)
Purchase of treasury shares	-	(81)	-	-	(81)	-	(81)
At 30 September 2019	65,970	(312)	(200)	14,018	79,476	30,407	109,883
At 1 January 2020	65,970	(330)	(375)	14,960	80,225	30,032	110,257
Total comprehensive loss for the period	-	-	(1,182)	(2,402)	(3,584)	3,134	(450)
Dividend paid	-	-	-	(3,606)	(3,606)	-	(3,606)
Dividends paid to non-controlling interest	-	-	-	-	-	(2,255)	(2,255)
At 30 September 2020	65,970	(330)	(1,557)	8,952	73,035	30,911	103,946

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 THIRD QUARTER ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

	Cumulative Current Year To Date 30.09.2020 RM'000	Cumulative Corresponding Period 30.09.2019 RM'000
Cash flows from operating activities		
Profit before taxation	5,072	9,391
Adjustments for :		
Depreciation and amortisation	4,746	4,399
Loss on disposal of property, plant and equipment	-	32
Loss on write off of property, plant and equipment	13	-
Provision for retirement benefits	-	100
Bad debt write off	171	-
Provision for doubtful debts	278	11
Reversal of impairment of receivable	(580)	-
Net unrealised foreign exchanges loss	187	446
Finance cost	1,701	1,326
Profit income from deposits	(238)	(129)
Dividend from unit trust	(137)	(231)
Operating profit before working capital changes	11,213	15,345
Working capital changes :		
Increase in receivable	(2,375)	(8,355)
Decrease in inventories and work-in-progress	32	-
(Decrease)/Increase in payables	(4,394)	11,208
Cash generated from operations	4,476	18,198
Finance cost paid	(1,701)	(1,326)
Tax paid	(2,045)	(4,261)
Net cash generated from operating activities	729	12,611
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	-	1,041
Withdrawal/(Placement) of unit trust	2,054	(4,019)
Purchase of property, plant & equipment	(6,988)	(4,944)
Land conversion charges	-	(1,441)
Profit received from deposits	238	129
Dividend in unit trust	137	231
Net cash used in investing activities	(4,559)	(9,003)
Cash flows from financing activities		
Repayment of borrowings	(3,306)	(1,892)
Drawdown of borrowings	11,087	-
Purchase of treasury shares	-	(81)
Dividend	(3,606)	(2,296)
Dividend paid to NCI	(2,255)	(4,305)
Net cash generated from/(used in) financing activities	1,920	(8,574)
Net decrease in cash and cash equivalents	(1,910)	(4,966)
Cash and cash equivalents at 1 January 2020/2019	(1,028)	520
Cash and cash equivalents at 30 September 2020/2019	(2,938)	(4,446)

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

	Cumulative Current Year 30.09.2020 RM'000	Cumulative Preceding Year 30.09.2019 RM'000
Cash and cash equivalents :		
Cash and bank balances	22,046	21,163
Overdraft	<u>(17,228)</u>	<u>(18,079)</u>
	4,818	3,084
Less: Restricted deposits	<u>(7,757)</u>	<u>(7,530)</u>
	<u><u>(2,939)</u></u>	<u><u>(4,446)</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
(Company No. 203352-V)

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 23 November 2020.

A2. Basis of preparation

The consolidated condensed interim financial information for the 9 months ended 30 September 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 3: Business Combination	1 January 2020
Amendments to MFRS 4: Insurance Contract - Effective immediately	17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 : Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16: Leases	1 June 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current - Effective immediately	17 August 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.

MFRSs and amendments to MFRSs	Effective for annual period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 : Interest Rate Benchmark Reform	1 January 2021
Amendments to MFRS 3: Business Combination	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
MFRS 17: Insurance Contract	1 January 2023
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.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020
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 2020.

A6. Segment information

<u>30 September 2020</u>	Environmental Consultancy & Monitoring Services	Laboratory Services	Others*	Elimination	Cumulative Quarter Year To Date 30.09.2020
	RM '000	RM '000	RM '000	RM '000	RM '000
External revenue	20,775	38,359	2,088	(1,033)	60,189
Inter- segment revenue	169	627	3,607	(4,403)	-
Total revenue	20,944	38,986	5,695	(5,436)	60,189

Segment Results

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

30 September 2019

<u>30 September 2019</u>	Environmental Consultancy & Monitoring Services	Laboratory Services	Others*	Elimination	Cumulative Quarter Year To Date 30.09.2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
External revenue	32,076	40,643	2,169	-	74,888
Inter- segment revenue	158	822	3,228	(4,208)	-
Total revenue	32,234	41,465	5,397	(4,208)	74,888

Segment Results

Segment profit/(loss) from operations	(823)	14,926	371	(3,757)	10,717
Financing cost	(799)	-	(1,228)	701	(1,326)
Income tax expense	(41)	(4,104)	(116)	-	(4,261)
Profit net of tax					5,130
Non-controlling interest					(4,138)
Net profit for the period					992

* 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.

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Zakat	98	378	352	732

A9. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	573	1,007	2,740	2,724
- Foreign Tax	529	659	1,102	1,233
- Deferred Tax	340	207	(492)	304
Tax expense	1,442	1,873	3,350	4,261
Effective tax rate			66%	45%

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit for the period (RM'000)	(13)	(201)	(2,402)	992
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,796	655,631	655,796
Basic Earnings Per Share (sen)	(0.00)	(0.03)	(0.37)	0.15

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

	30.09.2020 RM'000	31.12.2019 RM'000
Short term borrowings		
Hire purchase	1,720	340
Overdraft	17,229	15,491
Revolving Credit	11,224	10,038
Term loan	4,166	1,418
	<u>34,339</u>	<u>27,287</u>
Long term borrowings		
Hire purchase	2,807	342
	<u>2,807</u>	<u>342</u>
Total borrowings	<u>37,146</u>	<u>27,629</u>

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

A13. Trade receivables

	30.09.2020 RM'000	31.12.2019 RM'000
Trade and Other receivable	<u>45,980</u>	<u>48,250</u>

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	30.09.2020 RM'000	31.12.2019 RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	1,474	225
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>1,474</u>	<u>225</u>

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2020.

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

Share buybacks/ Treasury shares of the Company

	30.09.2020	31.12.2019
	RM'000	RM'000
As at 1 January	330	231
Share buyback	-	99
As at 30 September/December	<u>330</u>	<u>330</u>

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental consultancy and monitoring services	20,944	32,234	(11,290)	(0.35)
Laboratory services	38,986	41,465	(2,479)	(0.06)
Corporate holding and Elimination	259	1,189	(930)	(0.78)
	<u>60,189</u>	<u>74,888</u>	<u>(14,699)</u>	<u>(0.20)</u>
Segment results				
Environmental consultancy and monitoring services	(5,467)	(823)	(4,644)	(5.64)
Laboratory services	14,528	14,926	(398)	(0.03)
Corporate holding and Elimination	(2,288)	(3,386)	1,098	0.32
Profit from operations	<u>6,773</u>	<u>10,717</u>	<u>(3,944)</u>	<u>(0.37)</u>
Finance charges	<u>(1,701)</u>	<u>(1,326)</u>	<u>(375)</u>	<u>(0.28)</u>
Profit before tax	5,072	9,391	(4,319)	(0.46)
Tax expense	<u>(3,350)</u>	<u>(4,261)</u>	<u>911</u>	<u>0.21</u>
Profit net of tax	1,722	5,130	(3,408)	(0.66)
Non controlling interest	<u>(4,124)</u>	<u>(4,138)</u>	<u>14</u>	<u>0.00</u>
(Loss)/profit attributable to owners of the Company	<u><u>(2,402)</u></u>	<u><u>992</u></u>	<u><u>(3,394)</u></u>	<u><u>3.42</u></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 and 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 nine months ended 30 September 2020, the Group reported lower revenue by RM14.7million compared to the preceding year corresponding period ended 30 September 2019 mainly due to lower revenue from environmental consultancy and monitoring services. The Group reported lower profit from operations by RM3.9million mainly due to loss incurred from environmental consultancy and monitoring services.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 35% of the total Group revenue.

The segment revenue and loss from operations are deteriorated by RM11.3million and RM4.6million respectively compared to the preceding year corresponding period ended 30 September 2019. This was due to low revenue generated from Malaysia and Saudi operations and delay in securing orders. The drop in revenue contributed by the movement control order and lockdown in Q2 2020 due to Covid-19 pandemic.

b) **Laboratory services**

Laboratory services segment revenue contributed 65% of the total Group revenue.

For the first nine months ended 30 September 2020, the segment revenue and profit is lower by RM2.5million and RM0.4million respectively compared to the preceding year corresponding period ended 30 September 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 30.09.2020 RM'000	Preceding Quarter 30.06.2020 RM'000		
Revenue				
Environmental consultancy & monitoring services	11,518	4,575	6,943	1.52
Laboratory services	14,197	10,899	3,298	0.30
Corporate holding and Elimination	498	452	46	0.10
	<u>26,213</u>	<u>15,926</u>	10,287	0.65
Segment results				
Environmental consultancy & monitoring services	(1,534)	(1,673)	139	(0.08)
Laboratory services	6,953	2,497	4,456	1.78
Corporate holding and Elimination	(1,219)	(87)	(1,132)	13.01
Profit from operations	<u>4,200</u>	<u>737</u>	3,463	4.70
Finance charges	<u>(556)</u>	<u>(484)</u>	(72)	0.15
Profit before tax	3,644	253	3,391	13.40
Tax Expense	<u>(1,442)</u>	<u>(1,461)</u>	19	(0.01)
Profit/(loss) net of tax	2,202	(1,208)	3,410	(2.82)
Non Controlling interest	(2,215)	(749)	(1,466)	1.96
Loss attributable to owners of the company	<u>(13)</u>	<u>(1,957)</u>	1,944	(0.99)

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 September 2020, the Group's revenue and profit from operations was improved compared to the preceding quarter ended 30 June 2020 due to higher revenue from laboratory services and environmental consultancy and monitoring 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 RM1.5million for the quarter ended 30 September 2020 as compared to loss of RM1.7million in the previous quarter ended 30 June 2020.

b) **Laboratory services**

Laboratory services segment reported higher revenue and profit from operations by RM3.3million and RM4.5million respectively as compared to previous quarter ended 30 June 2020.

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. Nonetheless, 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 September 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 September 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