

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

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

	Individual Quarter			Cumulative Quarter		
	Current Quarter	Preceding year Corresponding Quarter	+ / (-)	Current Year To Date	Preceding year Corresponding Period	+ / (-)
	31.12.2020 RM'000	31.12.2019 RM'000		31.12.2020 RM'000	31.12.2019 RM'000	
Revenue	27,774	24,618	0.13	87,963	99,506	(0.12)
Cost of sales	(12,379)	(6,315)		(34,409)	(34,079)	
Gross profit	15,395	18,303	(0.16)	53,554	65,427	(0.18)
Profit income	49	-		424	326	
Other income	566	1,275		1,375	1,647	
Staff costs	(4,956)	(5,986)		(25,510)	(29,929)	
Depreciation and amortisation	(2,075)	(1,623)		(6,821)	(6,022)	
Other operating expenses	(5,835)	(5,854)		(13,105)	(14,617)	
Profit from operations	3,144	6,115	(0.49)	9,917	16,832	(0.41)
Finance costs	(767)	(809)		(2,468)	(2,135)	
Profit before tax	2,377	5,306	(0.55)	7,449	14,697	(0.49)
Income tax expense	(886)	(2,787)		(4,236)	(7,048)	
Profit net of tax	1,491	2,519	(0.41)	3,213	7,649	(0.58)
Other comprehensive income:						
Foreign currency translation	1,868	179		(304)	592	
Actuarial gain/(loss) on retirement benefit	23	(51)		23	(51)	
Other comprehensive income attributable to:	1,891	128		(281)	541	
Total comprehensive income for the period	3,382	2,647	0.28	2,932	8,190	(0.64)
Net (Loss)/Profit attributable to:						
Owners of the parent	(271)	942	(1.29)	(2,673)	1,934	(2.38)
Minority interest	1,762	1,577	0.12	5,886	5,715	0.03
	1,491	2,519	(0.41)	3,213	7,649	(0.58)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)
(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.12.2020 RM'000	Preceding year Corresponding Quarter 31.12.2019 RM'000	+ / (-)	Current Year To Date 31.12.2020 RM'000	Preceding year Corresponding Period 31.12.2019 RM'000	+ / (-)
Total comprehensive income attributable to :						
Owners of the parent	636	(3,309)	1.19	(2,948)	2,234	(2.32)
Minority interest	2,746	5,956	(0.54)	5,880	5,956	(0.01)
	3,382	2,647	0.28	2,932	8,190	(0.64)
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen) *	(0.04)	0.14		(0.41)	0.29	

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 DECEMBER 2020
(The figures have not been audited)

	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,249	40,669
Investment properties	37,340	38,055
Right-of-use assets	60	137
Intangible assets	861	861
Deferred tax assets	1,276	152
	82,786	79,874
Current assets		
Inventories	191	54
Trade and other receivables	42,912	41,022
Amount due from customer on contract	9,680	6,368
Other current financial assets	14,385	13,578
Tax recoverable	350	175
Cash and bank balances	27,788	22,207
	95,306	83,404
TOTAL ASSETS	178,092	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	(650)	(375)
Retained earnings	8,681	14,960
	73,671	80,225
Non controlling interest	30,510	30,032
Total equity	104,181	110,257
Non-current liabilities		
Retirement benefits obligation	3,211	2,686
Deferred tax liabilities	3,797	3,306
Lease obligations	31	81
Interest bearing loans and borrowings	2,345	342
	9,384	6,415
Current liabilities		
Trade and other payables	18,067	17,891
Lease obligations	72	67
Interest bearing loans and borrowings	46,055	27,287
Tax payable	333	1,361
	64,527	46,606
Total Liabilities	73,911	53,021
TOTAL EQUITY AND LIABILITIES	178,092	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 FOURTH QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable			Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non controlling Interest RM'000	
At 1 January 2019	65,970	(231)	(675)	15,322	80,386	28,381	
Total comprehensive income for the period	-	-	300	1,934	2,234	5,956	8,190
Dividend paid	-	-	-	(2,296)	(2,296)	-	(2,296)
Dividends paid to non-controlling interest	-	-	-	-	-	(4,305)	(4,305)
Purchase of treasury shares	-	(99)	-	-	(99)	-	(99)
At 31 December 2019	65,970	(330)	(375)	14,960	80,225	30,032	110,257
At 1 January 2020	65,970	(330)	(375)	14,960	80,225	30,032	110,257
Total comprehensive loss for the period	-	-	(275)	(2,673)	(2,948)	5,880	2,932
Dividend paid	-	-	-	(3,606)	(3,606)	-	(3,606)
Dividends paid to non-controlling interest	-	-	-	-	-	(5,402)	(5,402)
At 31 December 2020	65,970	(330)	(650)	8,681	73,671	30,510	104,181

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 FOURTH QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	Cumulative Current Year To Date 31.12.2020 RM'000	Cumulative Corresponding Period 31.12.2019 RM'000
Cash flows from operating activities		
Profit before taxation	7,449	14,697
Adjustments for :		
Depreciation and amortisation	6,821	6,022
Gain on disposal of property, plant and equipment	(7)	(308)
Loss on write off of property, plant and equipment	-	1
Provision for retirement benefits	595	545
Provision for doubtful debts	681	733
Reversal of impairment of receivable	(717)	(375)
Write off on trade receivables	-	(66)
Net unrealised foreign exchanges loss	28	133
Finance cost	2,468	2,135
Profit income from deposits	(424)	(326)
Operating profit before working capital changes	<u>16,895</u>	<u>23,191</u>
Working capital changes :		
Increase in receivable	(5,094)	(2,915)
(Increase)/Decrease in inventories and work-in-progress	(137)	34
(Decrease)/Increase in payables	<u>(1,322)</u>	<u>3,932</u>
Cash generated from operations	<u>10,342</u>	<u>24,242</u>
Finance cost paid	(2,468)	(2,124)
Retirement benefit obligation paid	(70)	(308)
Tax paid	<u>(4,900)</u>	<u>(4,201)</u>
Net cash generated from operating activities	<u>2,904</u>	<u>17,609</u>
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	12	485
Placement of unit trust	(807)	(6,116)
Purchase of property, plant & equipment	(8,920)	(6,264)
Land conversion charges	-	(1,441)
Profit received from deposits	424	326
Withdrawal of deposits pledge	330	1,901
Net cash used in investing activities	<u>(8,961)</u>	<u>(11,109)</u>
Cash flows from financing activities		
Repayment of borrowings	(5,006)	(5,088)
Drawdown of borrowings	22,115	3,938
Hire purchase	3,713	-
Hire purchase repayment	(825)	(90)
Lease payment	-	(89)
Purchase of treasury shares	-	(98)
Dividend paid	(3,606)	(2,295)
Dividend paid to NCI	<u>(5,402)</u>	<u>(4,305)</u>
Net cash generated from/(used in) financing activities	<u>10,989</u>	<u>(8,027)</u>
Net decrease in cash and cash equivalents	4,931	(1,527)
Cash and cash equivalents at 1 January 2020/2019	(1,028)	499
Cash and cash equivalents at 31 December 2020/2019	<u>3,903</u>	<u>(1,028)</u>

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

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

	Cumulative Current Year 31.12.2020 RM'000	Cumulative Preceding Year 31.12.2019 RM'000
Cash and cash equivalents :		
Cash and bank balances	27,788	22,207
Overdraft	<u>(16,265)</u>	<u>(15,490)</u>
	11,523	6,717
Less: Restricted deposits	<u>(7,620)</u>	<u>(7,745)</u>
	<u>3,903</u>	<u>(1,028)</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.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 11 March 2021.

A2. Basis of preparation

The consolidated condensed interim financial information for the year ended 31 December 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 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
Amendments to MFRS 16: Leases	1 June 2020
Amendments to MFRS 4: Insurance Contract - Effective immediately	17 August 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current - Effective immediately	17 August 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2020.

A6. Segment information

<u>31 December 2020</u>	Environmental Consultancy & Monitoring Services	Laboratory Services	Others*	Elimination	Cumulative Quarter Year To Date 31.12.2020
	RM '000	RM '000	RM '000	RM '000	RM '000
Segment Revenue					
External revenue	34,059	51,066	3,871	(1,033)	87,963
Inter- segment revenue	245	838	7,231	(8,314)	-
Total revenue	34,304	51,904	11,102	(9,347)	87,963

Segment Results

Segment profit/(loss) from operations	(7,647)	19,835	4,898	(7,169)	9,917
Finance cost	(2,020)	(7)	(1,458)	1,017	(2,468)
Income tax expense	1,138	(5,189)	(185)	-	(4,236)
Profit net of tax					3,213
Non-controlling interest					(5,886)
Net profit for the period					(2,673)

<u>31 December 2019</u>	Environmental Consultancy & Monitoring Services	Laboratory Services	Others*	Elimination	Cumulative Quarter Year To Date 31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
External revenue	40,880	55,726	2,900	-	99,506
Inter- segment revenue	226	1,073	6,902	(8,201)	-
Total revenue	41,106	56,799	9,802	(8,201)	99,506

Segment Results

Segment profit/(loss) from operations	474	20,288	4,152	(8,082)	16,832
Financing cost	(1,831)	(8)	(1,622)	1,326	(2,135)
Income tax expense	(1,191)	(5,714)	(143)	-	(7,048)
Profit net of tax					7,649
Non-controlling interest					(5,715)
Net profit for the period					1,934

* 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
(Company No. 203352-V)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
SELECTED EXPLANATORY NOTES

A7. Seasonality or cyclical

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

A8. Profit before taxation

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Zakat	181	50	533	782

A9. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Tax expense :				
- Malaysia Income Tax	933	1,525	3,673	4,249
- Foreign Tax	162	1,121	1,264	2,354
- Deferred Tax	(209)	141	(701)	445
	886	2,787	4,236	7,048
Effective tax rate			57%	48%

The effective tax rate for 2020 and 2019 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		Financial Year	
	3 months ended		Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit for the period (RM'000)	(271)	942	(2,673)	1,934
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	(0.04)	0.14	(0.41)	0.29

There is no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the reporting period.

A11. Valuation of property, plant and equipment

The Group measured its land and building at the date of transition at its revalued amounts and uses that amounts as its deemed cost at that date.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
SELECTED EXPLANATORY NOTES

A12. Interest bearing loans and borrowings

	31.12.2020	31.12.2019
	RM'000	RM'000
Short term borrowings		
Hire purchase	1,225	340
Overdraft	16,265	15,491
Revolving Credit	18,600	10,038
Term loan	6,206	1,418
Trust receipt	3,759	-
	<u>46,055</u>	<u>27,287</u>
Long term borrowings		
Hire purchase	2,345	342
	<u>2,345</u>	<u>342</u>
Total borrowings	<u>48,400</u>	<u>27,629</u>

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

A13. Trade receivables

	31.12.2020	31.12.2019
	RM'000	RM'000
Trade and Other receivable	42,912	33,336

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	31.12.2020	31.12.2019
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	727	180
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>727</u>	<u>180</u>

A16. Contingent liabilities and contingent assets

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

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
SELECTED EXPLANATORY NOTES

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

Share buybacks/ Treasury shares of the Company

	31.12.2020	31.12.2019
	RM'000	RM'000
As at 1 January	330	231
Share buyback	-	99
As at 31 December	<u>330</u>	<u>330</u>

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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

	Financial Year Ended 31.12.2020 RM'000	Financial Year Ended 31.12.2019 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental consultancy & monitoring services	34,304	41,106	(6,802)	(0.17)
Laboratory services	51,904	56,799	(4,895)	(0.09)
Corporate holding and Elimination	1,755	1,601	154	0.10
	87,963	99,506	(11,543)	(0.12)
Segment results				
Environmental consultancy & monitoring services	(7,647)	474	(8,121)	(17.13)
Laboratory services	19,835	20,288	(453)	(0.02)
Corporate holding and Elimination	(2,271)	(3,930)	1,659	0.42
Profit from operations	9,917	16,832	(6,915)	(0.41)
Finance charges	(2,468)	(2,135)	(333)	(2.16)
Profit before tax	7,449	14,697	(7,248)	(0.49)
Tax Expense	(4,236)	(7,048)	2,812	0.40
Profit net of tax	3,213	7,649	(4,436)	(0.58)
Non Controlling interest	(5,886)	(5,715)	(171)	(0.03)
Profit attributable to owners of the Company	(2,673)	1,934	(4,607)	(2.38)

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:

The Group reported lower revenue by RM11.5million compared to the preceding year mainly due to lower revenue from environmental consultancy and monitoring services and laboratory services. The Group reported lower profit from operations by RM6.9million mainly due to loss incurred from environmental consultancy and monitoring services.

PROGRESSIVE IMPACT CORPORATION BERHAD

(Company No. 203352-V)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**SELECTED EXPLANATORY NOTES****B1. Performance review (cont'd.)**

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

a) Environmental consultancy & monitoring services

Environmental consultancy and monitoring services segment revenue contributed 39% of the total Group revenue.

The segment revenue and loss from operations are deteriorated by RM6.8million and RM8.1million respectively compared to the preceding year 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 during the year due to Covid-19 pandemic.

b) Laboratory services

Laboratory services segment revenue contributed 59% of the total Group revenue.

For the year ended 31 December 2020, the segment revenue and profit is lower by RM4.9million and RM0.5million respectively compared to the preceding year 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 31.12.2020 RM'000	Preceding Quarter 30.09.2020 RM'000		
Revenue				
Environmental consultancy & monitoring services	13,360	11,518	1,842	0.16
Laboratory services	12,918	14,197	(1,279)	(0.09)
Corporate holding and Elimination	1,496	498	998	2.00
	<u>27,774</u>	<u>26,213</u>	<u>1,561</u>	<u>0.06</u>
Segment results				
Environmental consultancy & monitoring services	(2,180)	(1,534)	(646)	(0.42)
Laboratory services	5,307	6,953	(1,646)	(0.24)
Corporate holding and Elimination	17	(1,219)	1,236	1.01
Profit from operations	<u>3,144</u>	<u>4,200</u>	<u>(1,056)</u>	<u>(0.25)</u>
Finance charges	(767)	(556)	(211)	(0.38)
Profit before tax	<u>2,377</u>	<u>3,644</u>	<u>(1,267)</u>	<u>(0.35)</u>
Tax Expense	(886)	(1,442)	556	0.39
Profit net of tax	<u>1,491</u>	<u>2,202</u>	<u>(711)</u>	<u>(0.32)</u>
Non Controlling interest	(1,762)	(2,215)	453	0.20
Profit attributable to owners of the company	<u>(271)</u>	<u>(13)</u>	<u>(258)</u>	<u>(19.85)</u>

PROGRESSIVE IMPACT CORPORATION BERHAD

(Company No. 203352-V)

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
SELECTED EXPLANATORY NOTES**

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (cont'd)

2.1 Group and Segments Analysis

Group Analysis:

The Group's revenue was improved compared to the preceding quarter ended 30 September 2020 due to higher revenue from environmental consultancy and monitoring services. The Group reported lower profit from operations by RM1million mainly due to lower profit from laboratory services and loss incurred from environmental consultancy and monitoring services.

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

a) Environmental consultancy & monitoring services

Environmental consultancy and monitoring services reported a loss from operations amounted to RM2.2million for the quarter ended 31 December 2020 as compared to loss of RM1.5million in the previous quarter ended 30 September 2020.

b) Laboratory services

Laboratory services segment reported lower revenue and profit from operations by RM1.3million and RM1.6million respectively as compared to previous quarter ended 30 September 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. 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. The vaccine roll-out, with herd immunity targeted by early 2022, is also expected to uplift the negative statements. Nonetheless, we remain 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 December 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 December 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