

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.3.2021 RM'000	Preceding year Corresponding Quarter 31.3.2020 RM'000	+ / (-)	Current Year To Date 31.3.2021 RM'000	Preceding year Corresponding Period 31.3.2020 RM'000	+ / (-)
Revenue	23,202	18,050	0.29	23,202	18,050	0.29
Cost of sales	(10,831)	(5,671)		(10,831)	(5,671)	
Gross profit	12,371	12,379	(0.00)	12,371	12,379	(0.00)
Profit income	51	189		51	189	
Other income	237	542		237	542	
Staff costs	(6,044)	(6,405)		(6,044)	(6,405)	
Depreciation and amortisation	(2,080)	(1,518)		(2,080)	(1,518)	
Other operating expenses	(2,224)	(3,351)		(2,224)	(3,351)	
Profit from operations	2,311	1,836	0.26	2,311	1,836	0.26
Finance costs	(534)	(661)		(534)	(661)	
Profit before tax	1,777	1,175	0.51	1,777	1,175	0.51
Income tax expense	(902)	(447)		(902)	(447)	
Profit net of tax	875	728	0.20	875	728	0.20
Other comprehensive income:						
Foreign currency translation	(552)	(2,718)		(552)	(2,718)	
Other comprehensive income attributable to:	(552)	(2,718)		(552)	(2,718)	
Total comprehensive income for the period	323	(1,990)	(1.16)	323	(1,990)	(1.16)
Net (Loss)/Profit attributable to:						
Owners of the parent	(179)	(432)	(0.59)	(179)	(432)	(0.59)
Minority interest	1,054	1,160	(0.09)	1,054	1,160	(0.09)
	875	728	0.20	875	728	0.20

PROGRESSIVE IMPACT CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)
(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.3.2021 RM'000	Preceding year Corresponding Quarter 31.3.2020 RM'000	+ / (-)	Current Year To Date 31.3.2021 RM'000	Preceding year Corresponding Period 31.3.2020 RM'000	+ / (-)
Total comprehensive income attributable to :						
Owners of the parent	(731)	(1,865)	0.61	(731)	(1,865)	(0.61)
Minority interest	1,054	(125)	(9.43)	1,054	(125)	(9.43)
	<u>323</u>	<u>(1,990)</u>	(1.16)	<u>323</u>	<u>(1,990)</u>	(1.16)
Earning per share attributable to equity holders of the parent						
Basic earning per share (sen) *	<u>(0.03)</u>	<u>(0.07)</u>		<u>(0.03)</u>	<u>(0.07)</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 2020 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 2021
(The figures have not been audited)

	Unaudited 31.3.2021 RM'000	Audited 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,807	43,309
Investment properties	37,162	37,341
Intangible assets	861	861
Deferred tax assets	1,408	1,276
	83,238	82,787
Current assets		
Inventories	177	191
Trade and other receivables	45,941	42,933
Amount due from customer on contract	8,136	9,680
Other current financial assets	9,401	14,385
Tax recoverable	267	350
Cash and bank balances	31,335	27,788
	95,257	95,327
TOTAL ASSETS	178,495	178,114
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,970	65,970
Treasury shares	(330)	(330)
Other reserves	(1,202)	(650)
Retained earnings	8,363	8,542
	72,801	73,532
Non controlling interest	31,564	30,510
Total equity	104,365	104,042
Non-current liabilities		
Retirement benefits obligation	3,340	1,861
Deferred tax liabilities	4,376	3,797
Lease obligations	16	31
Interest bearing loans and borrowings	2,322	2,345
	10,054	8,034
Current liabilities		
Trade and other payables	16,027	17,936
Lease obligations	68	72
Interest bearing loans and borrowings	46,695	46,055
Tax payable	1,286	1,975
	64,076	66,038
Total Liabilities	74,130	74,072
TOTAL EQUITY AND LIABILITIES	178,495	178,114
Net assets per share attributable to equity holders of the parent (RM)	0.11	0.11

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable	Total	Non controlling Interest	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2020	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)
At 31 March 2020	65,970	(330)	(1,808)	14,528	78,360	29,907	108,267
At 1 January 2021	65,970	(330)	(650)	8,542	73,532	30,510	104,042
Total comprehensive loss for the period	-	-	(552)	(179)	(731)	1,054	323
At 31 March 2021	65,970	(330)	(1,202)	8,363	72,801	31,564	104,365

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 2020.

PROGRESSIVE IMPACT CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

	Cumulative Current Year To Date 31.3.2021 RM'000	Cumulative Corresponding Period 31.3.2020 RM'000
Cash flows from operating activities		
Profit before taxation	1,777	1,175
Adjustments for :		
Depreciation and amortisation	2,080	1,522
Provision for retirement benefits	-	135
Net unrealised foreign exchanges loss	-	(458)
Finance cost	534	661
Profit income from deposits	(51)	(189)
Operating profit before working capital changes	<u>4,340</u>	<u>2,846</u>
Working capital changes :		
(Increase)/Decrease in receivable	(2,405)	3,408
Decrease/(Increase) in inventories and work-in-progress	14	(53)
Decrease in payables	(1,926)	(6,794)
Cash generated from operations	<u>23</u>	<u>(593)</u>
Finance cost paid	(534)	(661)
Tax paid	(251)	(677)
Net cash generated from operating activities	<u>(762)</u>	<u>(1,931)</u>
Cash flows from investing activities		
Placement of unit trust	4,984	3,930
Purchase of property, plant & equipment	(1,342)	(1,422)
Profit received from deposits	51	189
Withdrawal of deposits pledge	(31)	(7)
Net cash used in investing activities	<u>3,662</u>	<u>2,690</u>
Cash flows from financing activity		
Net (Repayment)/Drawdown of borrowings	(2,101)	2,243
Net cash generated from/(used in) financing activity	<u>(2,101)</u>	<u>2,243</u>
Net decrease in cash and cash equivalents	799	3,002
Cash and cash equivalents at 1 January 2021/2020	3,903	(1,028)
Cash and cash equivalents at 31 March 2021/2020	<u><u>4,702</u></u>	<u><u>1,974</u></u>

PROGRESSIVE IMPACT CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)
(CONT'D)

	Cumulative Current Year To Date 31.3.2021 RM'000	Cumulative Corresponding Period 31.3.2020 RM'000
Cash and cash equivalents :		
Cash and bank balances	31,335	19,940
Overdraft	<u>(18,983)</u>	<u>(10,214)</u>
	12,352	9,726
Less: Restricted deposits	<u>(7,650)</u>	<u>(7,752)</u>
	<u>4,702</u>	<u>1,974</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 2020 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 2021
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 31 May 2021.

A2. Basis of preparation

The consolidated condensed interim financial information for the year ended 31 March 2021 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 2020, 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 2021

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2021.

Interest Rate Benchmark Reform—Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021

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
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
MFRS 17: Insurance Contract	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2021
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 March 2021.

A6. Segment information

<u>31 March 2021</u>	Environmental Monitoring & Consultancy				Laboratory	Others*	Elimination	Cumulative Quarter Year To Date 31.3.2021
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>31.3.2021</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
External revenue	10,468	11,996		738		-		23,202
Inter- segment revenue	91	302		87		(480)		-
Total revenue	10,559	12,298		825		(480)		23,202

Segment Results

Segment profit/(loss)								
from operations	(1,844)	4,187		1,960		(1,992)		2,311
Finance cost	(413)	(2)		(393)		274		(534)
Income tax expense	132	(1,009)		(25)		-		(902)
Profit net of tax								875
Non-controlling interest								(1,054)
Net profit for the period								(179)

31 March 2020

	Environmental Monitoring & Consultancy				Laboratory	Others*	Elimination	Cumulative Quarter Year To Date 31.3.2020
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>31.3.2020</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue								
External revenue	4,715	13,610		758		(1,033)		18,050
Inter- segment revenue	136	280		94		(510)		-
Total revenue	4,851	13,890		852		(1,543)		18,050

Segment Results

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

* The segment denoted as "others" includes the revenue and results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries which do not fall under the segments environmental monitoring, consultancy and services and 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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A7. Seasonality or cyclical

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

A8. Profit before taxation

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging:				
Zakat	101	131	101	131

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Tax expense :				
- Malaysia Income Tax	328	790	328	790
- Foreign Tax	128	315	128	315
- Deferred Tax	446	(658)	446	(658)
	902	447	902	447
Effective tax rate			51%	38%

The effective tax rate for 2021 and 2020 is higher than the statutory income tax rate of 24%. This is due to the losses incurred by the subsidiary companies which has lowered the basis for the computation of the effective tax rate.

A10. Earnings per share

The basic earnings per share for the quarter and cumulative year to date are computed as follow:

	Individual quarter 3 months ended		Financial Year Ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Profit for the period (RM'000)	(179)	(432)	(179)	(432)
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	655,631	655,631	655,631
Basic Earnings Per Share (sen)	(0.03)	(0.07)	(0.03)	(0.07)

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
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FOR THE FIRST QUARTER ENDED 31 MARCH 2021
SELECTED EXPLANATORY NOTES

A12. Interest bearing loans and borrowings

	31.3.2021	31.12.2020
	RM'000	RM'000
Short term borrowings		
Hire purchase	1,166	1,225
Overdraft	18,983	16,265
Revolving Credit	19,605	18,600
Term loan	5,537	6,206
Trust receipt	1,404	3,759
	<u>46,695</u>	<u>46,055</u>
Long term borrowings		
Hire purchase	2,322	2,345
	<u>2,322</u>	<u>2,345</u>
Total borrowings	<u>49,017</u>	<u>48,400</u>

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

A13. Trade receivables

	31.3.2021	31.12.2020
	RM'000	RM'000
Trade and Other receivable	<u>45,941</u>	<u>42,933</u>

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	31.3.2021	31.12.2020
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	556	345
	<u>556</u>	<u>345</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 2020.

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 2021.

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE FIRST QUARTER ENDED 31 MARCH 2021
SELECTED EXPLANATORY NOTES

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

Share buybacks/ Treasury shares of the Company

	31.3.2021	31.12.2020
	RM'000	RM'000
As at 1 January	330	330
Share buyback	-	-
As at 31 March/December	<u>330</u>	<u>330</u>

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE FIRST QUARTER ENDED 31 MARCH 2021
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 31.3.2021 RM'000	Financial Year Ended 31.3.2020 RM'000	Changes Amount RM'000	Changes + / (-)
<u>Revenue</u>				
Environmental monitoring, consultancy & services	10,559	4,851	5,708	1.18
Laboratory services	12,298	13,890	(1,592)	(0.11)
Corporate holding and Elimination	345	(691)	1,036	1.50
	<u>23,202</u>	<u>18,050</u>	5,152	0.29
<u>Segment results</u>				
Environmental monitoring, consultancy & services	(1,844)	(2,260)	416	0.18
Laboratory services	4,187	5,078	(891)	(0.18)
Corporate holding and Elimination	(32)	(982)	950	0.97
Profit from operations	<u>2,311</u>	<u>1,836</u>	475	0.26
Finance charges	<u>(534)</u>	<u>(661)</u>	127	0.19
Profit before tax	1,777	1,175	602	0.51
Tax expense	<u>(902)</u>	<u>(447)</u>	(455)	(1.02)
Profit net of tax	875	728	147	0.20
Non controlling interest	<u>(1,054)</u>	<u>(1,160)</u>	106	0.09
Profit attributable to owners of the Company	<u><u>(179)</u></u>	<u><u>(432)</u></u>	253	0.59

1.1 Segments Background:

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

- (a) The environmental monitoring, consultancy and services segment includes the provision of environmental related services in air, water, wastewater and public health.
- (b) The 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 higher revenue by RM5.2million compared to the preceding year mainly due to higher revenue from environmental monitoring consultancy and services. The Group reported higher profit from operations by RM0.5million.

FOR THE FIRST QUARTER ENDED 31 MARCH 2021
SELECTED EXPLANATORY NOTES

B1. Performance review (cont'd.)

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

a) **Environmental monitoring, consultancy & services**

Environmental monitoring, consultancy and services segment revenue contributed 46% of the total Group

The segment revenue was increased by RM5.7million and loss from operations was decreased by RM0.4million compared to the preceding year due to higher revenue generated from Malaysia and Saudi operations.

b) **Laboratory services**

Laboratory services segment revenue contributed 53% of the total Group revenue.

For the year ended 31 March 2021, the segment revenue and profit is lower by RM1.6million and RM0.9million respectively compared to the preceding year due to lower revenue from Indonesia operations.

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

	Individual Quarter		Changes Amount	Changes + / (-)
	Current Quarter 31.3.2021 RM'000	Preceding Quarter 31.12.2020 RM'000		
Revenue				
Environmental monitoring, consultancy & services	10,559	13,360	(2,801)	(0.21)
Laboratory services	12,298	12,918	(620)	(0.05)
Corporate holding and Elimination	345	1,496	(1,151)	(0.77)
	<u>23,202</u>	<u>27,774</u>	<u>(4,572)</u>	<u>(0.16)</u>
Segment results				
Environmental monitoring, consultancy & services	(1,844)	(2,180)	336	0.15
Laboratory services	4,187	5,307	(1,120)	(0.21)
Corporate holding and Elimination	(32)	17	(49)	(2.88)
Profit from operations	<u>2,311</u>	<u>3,144</u>	<u>(833)</u>	<u>(0.26)</u>
Finance charges	(534)	(767)	233	0.30
Profit before tax	<u>1,777</u>	<u>2,377</u>	<u>(600)</u>	<u>(0.25)</u>
Tax Expense	(902)	(886)	(16)	(0.02)
Profit net of tax	<u>875</u>	<u>1,491</u>	<u>(616)</u>	<u>(0.41)</u>
Non Controlling interest	(1,054)	(1,762)	708	0.40
Profit attributable to owners of the company	<u>(179)</u>	<u>(271)</u>	<u>92</u>	<u>0.34</u>

FOR THE FIRST QUARTER ENDED 31 MARCH 2021
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 deteriorated compared to the preceding quarter ended 31 December 2020 due to lower revenue from environmental monitoring, consultancy and services. The Group reported lower profit from operations by RM0.8million mainly due to lower profit from laboratory services.

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

a) **Environmental monitoring, consultancy & services**

Environmental monitoring, consultancy and services reported a loss from operations amounted to RM1.8million for the quarter ended 31 March 2021 as compared to loss of RM2.2million in the previous quarter ended 31 December 2020.

b) **Laboratory services**

Laboratory services segment reported lower revenue and profit from operations by RM0.6million and RM1.1million respectively as compared to previous quarter ended 31 December 2020.

B3. Commentary on prospects

Amidst the global economy cautiously recovering from the Covid- 19 pandemic, the recent upsurge in Covid-19 cases in our country continues to impede the overall positive economic outlook. PICORP will continue to proceed with caution against the uncertain economic turmoil. The management is continuously 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 actions 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 current slow mass vaccine roll-out may also hamper the early economic recovery. 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 March 2021.

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 2021.

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.

PROGRESSIVE IMPACT CORPORATION BERHAD

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B9. Dividend

The Company had proposed a Single Tier Final Dividend of 0.30 sen (or RM0.003) per share for the financial year ended 31 December 2020 to be paid on 15 July 2021 to the shareholders whose names appear in the Record of Depositors on 1 July 2021, subject to the shareholders' approval at the 29th Annual General Meeting to be held on 24 June 2021.

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

By order of the Board

PROGRESSIVE IMPACT CORPORATION BERHAD

Hajjah Zaidah Binti Haji Mohd Salleh

Company Secretary (MIA 3313)

Shah Alam