

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2019**  
(The figures have not been audited)

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 30.06.2019 RM'000	Preceding Quarter 30.06.2018 RM'000		Current Year To Date 30.06.2019 RM'000	Preceding Year To Date 30.06.2018 RM'000	
Revenue	23,188	20,407	0.14	48,740	42,619	0.14
Cost of sales	(7,519)	(5,532)		(17,945)	(12,237)	
<b>Gross profit</b>	<b>15,669</b>	<b>14,875</b>	<b>0.05</b>	<b>30,795</b>	<b>30,382</b>	<b>0.01</b>
Profit income	204	136		316	311	
Other income	89	268		259	424	
Staff costs	(8,080)	(6,832)		(15,803)	(13,438)	
Depreciation and amortisation	(1,529)	(1,653)		(2,900)	(3,341)	
Other operating expenses	(2,507)	(3,313)		(5,140)	(6,596)	
<b>Profit from operations</b>	<b>3,846</b>	<b>3,481</b>	<b>0.10</b>	<b>7,527</b>	<b>7,742</b>	<b>(0.03)</b>
Finance costs	(520)	(229)		(979)	(455)	
<b>Profit before tax</b>	<b>3,326</b>	<b>3,252</b>	<b>0.02</b>	<b>6,548</b>	<b>7,287</b>	<b>(0.10)</b>
Income tax expense	(1,151)	(962)		(2,388)	(2,487)	
<b>Profit net of tax</b>	<b>2,175</b>	<b>2,290</b>	<b>(0.05)</b>	<b>4,160</b>	<b>4,800</b>	<b>(0.13)</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	438	330		201	(756)	
<b>Other comprehensive income attributable to:</b>	<b>438</b>	<b>330</b>		<b>201</b>	<b>(756)</b>	
<b>Total comprehensive income for the period</b>	<b>2,613</b>	<b>2,620</b>	<b>(0.00)</b>	<b>4,361</b>	<b>4,044</b>	<b>0.08</b>
<b>Net Profit attributable to:</b>						
Owners of the parent	774	20	37.70	1,193	441	1.71
Minority interest	1,401	2,270	(0.38)	2,967	4,359	(0.32)
	<b>2,175</b>	<b>2,290</b>	<b>(0.05)</b>	<b>4,160</b>	<b>4,800</b>	<b>(0.13)</b>

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**FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

(The figures have not been audited)

(CONT'D.)

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

Owners of the parent	1,211	708	0.71	1,456	74	18.68
Minority interest	1,402	1,912	(0.27)	2,905	3,970	(0.27)
	<u>2,613</u>	<u>2,620</u>	(0.00)	<u>4,361</u>	<u>4,044</u>	0.08

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

<b>Basic earning per share (sen) *</b>	<u>0.12</u>	<u>0.00</u>		<u>0.12</u>	<u>0.00</u>	
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The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2019**  
(The figures have not been audited)

	<b>Unaudited</b> <b>30.06.2019</b> <b>RM'000</b>	<b>Audited</b> <b>31.12.2018</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,118	39,050
Investment properties	38,315	37,219
Prepaid lease payment	817	829
Intangible assets	861	861
Deferred tax assets	116	175
	<u>79,227</u>	<u>78,134</u>
<b>Current assets</b>		
Trade and other receivables	48,250	39,953
Amount due from Customer on contract	-	5,336
Other current financial assets	5,831	7,462
Tax Recoverable	3,558	3,164
Cash and bank balances	18,593	22,799
	<u>76,232</u>	<u>78,714</u>
<b>TOTAL ASSETS</b>	<u>155,459</u>	<u>156,848</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	(312)	(231)
Other reserves	(412)	(675)
Retained earnings	14,465	15,322
	<u>79,711</u>	<u>80,386</u>
Non Controlling Interest	31,286	28,381
<b>Total equity</b>	<u>110,997</u>	<u>108,767</u>
<b>Non-current liabilities</b>		
Retirement benefits obligation	2,899	2,500
Deferred tax liabilities	2,923	2,885
Interest bearing loans and borrowings	598	677
	<u>6,420</u>	<u>6,062</u>
<b>Current liabilities</b>		
Trade and other payables	15,888	14,718
Amount due to customer on contract	50	-
Interest bearing loans and borrowings	21,372	25,354
Tax payable	732	1,947
	<u>38,042</u>	<u>42,019</u>
<b>Total Liabilities</b>	<u>44,462</u>	<u>48,081</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>155,459</u>	<u>156,848</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 2018 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 SECOND QUARTER ENDED 30 JUNE 2019**  
**(The figures have not been audited)**

	← Attributable to owners of the company →							
	← Non Distributable →				Distributable		Non Controlling Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
<b>At 1 January 2018</b>	65,970	-	(202)	(329)	19,142	84,581	26,804	111,385
Total comprehensive income for the period	-	-	-	(367)	441	74	3,970	4,044
Dividend paid	-	-	-	-	(3,283)	(3,283)	-	(3,283)
Purchase of treasury shares	-	-	(10)	-	-	(10)	-	(10)
<b>At 30 June 2018</b>	<b>65,970</b>	<b>-</b>	<b>(212)</b>	<b>(696)</b>	<b>16,300</b>	<b>81,362</b>	<b>30,774</b>	<b>112,136</b>
<b>At 1 January 2019</b>	65,970	-	(231)	(675)	15,322	80,386	28,381	108,767
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>-</b>	<b>(312)</b>	<b>(412)</b>	<b>14,465</b>	<b>79,711</b>	<b>31,286</b>	<b>110,997</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 2018.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2019**  
**(The figures have not been audited)**

	<b>Cumulative Current Year Quarter 30.06.2019 RM'000</b>	<b>Cumulative Preceding Year Period 30.06.2018 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	6,548	7,287
<b>Adjustments for :</b>		
Depreciation and amortisation	2,943	3,355
Loss/(gain) on disposal of property, plant and equipment	548	(26)
Amortisation of prepaid lease rental	12	(14)
Provision for retirement benefits	144	67
Provision for doubtful debts	-	100
Reversal of impairment of receivable	-	(15)
Net unrealised foreign exchanges loss	4	18
Finance cost	979	455
Profit income from deposits	(146)	(162)
Dividend from unit trust	(177)	(149)
<b>Operating profit before working capital changes</b>	<u>10,855</u>	<u>10,916</u>
Working capital changes :		
Increase in receivable	(5,512)	(5,773)
Decrease in inventories and work-in-progress	-	58
Increase in payables	<u>6,372</u>	<u>5,836</u>
<b>Cash generated from operations</b>	<u>11,715</u>	<u>11,037</u>
Finance cost paid	(979)	(455)
Tax paid	<u>(3,828)</u>	<u>(5,986)</u>
<b>Net cash generated from operating activities</b>	<u>6,908</u>	<u>4,596</u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant & equipment	32	26
Placement of unit trust	1,631	(1,034)
Purchase of property, plant & equipment	(3,371)	(4,083)
Land conversion charges	(1,441)	-
Profit received from deposits	146	162
Dividend in unit trust	177	149
<b>Net cash used in investing activities</b>	<u>(2,826)</u>	<u>(4,780)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(531)	(1,093)
Purchase of treasury shares	(81)	(10)
Dividend	(2,050)	(3,283)
Dividend paid to NCI	-	(4,563)
<b>Net cash used in financing activities</b>	<u>(2,662)</u>	<u>(8,949)</u>
<b>Net decrease in cash and cash equivalents</b>	1,420	(9,133)
<b>Cash and cash equivalents at 1 January 2019/2018</b>	521	3,477
<b>Cash and cash equivalents at 30 June 2019/2018</b>	<u>1,941</u>	<u>(5,656)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2019**  
**(The figures have not been audited)**  
**(CONT'D)**

**Cash and cash equivalents :**

Cash and bank balances	18,593	19,211
Overdraft	<u>(9,122)</u>	<u>(17,451)</u>
	9,471	1,760
Less: Restricted deposits	<u>(7,530)</u>	<u>(7,416)</u>
	<u>1,941</u>	<u>(5,656)</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 2018 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 2019**  
**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 20 August 2019.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the 6 months ended 30 June 2019 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 2018, 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 2019**

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2019.

MFRS 16: Leases	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

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>
Amendments to MFRS 3: Business Combination	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS17: Insurance Contract	1 January 2021
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 2018.

**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.

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**SELECTED EXPLANATORY NOTES**

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

No changes in composition of group for quarter ended 30 June 2019.

**A6. Segment information**

<u>30 June 2019</u>	<u>Environmental Consultancy &amp; Monitoring Services</u>	<u>Laboratory Services</u>	<u>Waste Water Treatment &amp; Solution</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter Ended 30.06.2019</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
External revenue	20,268	26,139	899	1,434	-	48,740
Inter- segment revenue	10	444	139	3,137	(3,730)	-
<b>Total revenue</b>	<b>20,278</b>	<b>26,583</b>	<b>1,038</b>	<b>4,571</b>	<b>(3,730)</b>	<b>48,740</b>

**Segment Results**

Segment profit/(loss)						
from operations	1,152	9,624	(862)	998	(3,385)	7,527
Finance cost	(581)	-	(50)	(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>

<u>30 June 2018</u>	<u>Environmental Consultancy &amp; Monitoring Services</u>	<u>Laboratory Services</u>	<u>Waste Water Treatment &amp; Solution</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter Ended 30.06.2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Segment Revenue</b>						
External revenue	13,986	26,237	869	1,527	-	42,619
Inter- segment revenue	-	776	414	232	(1,422)	-
<b>Total revenue</b>	<b>13,986</b>	<b>27,013</b>	<b>1,283</b>	<b>1,759</b>	<b>(1,422)</b>	<b>42,619</b>

**Segment Results**

Segment profit/(loss)						
from operations	(2,338)	12,669	(240)	(2,330)	(19)	7,742
Financing cost	(62)	-	-	(531)	138	(455)
Income tax expense	328	(2,741)	-	(74)	-	(2,487)
<b>Profit net of tax</b>						<b>4,800</b>
Non-controlling interest						(4,359)
<b>Net profit for the period</b>						<b>441</b>

\* The segment denoted as "others" includes the revenue and results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries which do not fall under the segments environmental consultancy & monitoring services, laboratory services, waste water treatment & solution.

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



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**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	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Provision for doubtful debts	-	100	-	100
Reversal of Provision for doubtful debt	-	1	-	(15)
Unrealised foreign exchange currency (gain)/losses	(245)	(58)	4	18
(Gain)/loss on disposal of property, plant and equipment	541	(33)	548	(26)

**A9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	978	982	1,717	1,985
- Foreign Tax	399	256	574	743
- Deferred Tax	(226)	(276)	97	(241)
Tax expense	1,151	962	2,388	2,487
Effective tax rate			36%	34%

The effective tax rate for 2019 and 2018 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.

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**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	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit for the period (RM'000)	774	20	1,193	441
Number of ordinary shares of RM0.10 each in issue ('000)	655,796	656,609	655,796	656,609
Basic Earnings Per Share (sen)	0.12	0.00	0.18	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.

**A12. Interest bearing loans and borrowings**

	30.06.2019 RM'000	31.12.2018 RM'000
<b>Short term borrowings</b>		
Hire purchase	256	344
Overdraft	9,122	12,653
Revolving Credit	10,038	10,041
Term loan	1,956	2,316
	<u>21,372</u>	<u>25,354</u>
<b>Long term borrowings</b>		
Hire purchase	598	677
	<u>598</u>	<u>677</u>
<b>Total borrowings</b>	<u>21,970</u>	<u>26,031</u>

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

**A13. Trade receivables**

	30.06.2019 RM'000	31.12.2018 RM'000
Trade and Other receivable	<u>48,250</u>	<u>39,953</u>

**A14. Dividends**

No dividend declared or paid during current quarter.

**A15. Commitments**

	30.06.2019 RM'000	31.12.2018 RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	225	1,009
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>225</u>	<u>1,009</u>

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**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 2018.

**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 2019.

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

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

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	231	201
Share buyback	81	30
As at 30 June/December	<u>312</u>	<u>231</u>

FOR THE SECOND QUARTER ENDED 30 JUNE 2019  
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 30.06.2019 RM'000	Preceding year corresponding period 30.06.2018 RM'000	Changes Amount RM'000	Changes + / (-)
<b><u>Revenue</u></b>				
Environmental consultancy & monitoring services	20,278	13,986	6,292	0.45
Laboratory services	26,583	27,013	(430)	(0.02)
Waste water treatment & solution	1,038	1,283	(245)	(0.19)
Corporate holding and Elimination	841	337	504	1.50
	<u>48,740</u>	<u>42,619</u>	6,121	0.14
<b><u>Segment results</u></b>				
Environmental consultancy & monitoring services	1,152	(2,338)	3,490	>1.00
Laboratory services	9,624	12,669	(3,045)	(0.24)
Waste water treatment & solution	(862)	(240)	(622)	>(1.00)
Corporate holding and Elimination	(2,387)	(2,349)	(38)	(0.02)
Profit from operations	<u>7,527</u>	<u>7,742</u>	(215)	(0.03)
Finance charges	(979)	(455)	(524)	(1.15)
Profit before tax	<u>6,548</u>	<u>7,287</u>	(739)	(0.10)
Tax Expense	(2,388)	(2,487)	99	0.04
Profit net of tax	<u>4,160</u>	<u>4,800</u>	(640)	(0.13)
Non Controlling interest	(2,967)	(4,359)	1,392	0.32
Profit attributable to owners of the Company	<u><u>1,193</u></u>	<u><u>441</u></u>	752	(1.71)

**1.1 Segments Background:**

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

- (a) The environmental consultancy & monitoring services segment includes the provision of environmental related services in air, water and public health.
- (b) The laboratory services segment includes the provision of Environmental and food testing and analysis services.
- (c) The waste water treatment & solution segment includes the provision of waste water treatment solution system called Bi-Act SDO as well as water purification system called Intelligent Aqua.

**1.2 Group and Segments Analysis**

**Group Analysis:**

For the first six months ended 30 June 2019, the Group reported higher revenue by RM6.1 million compared to the preceding year corresponding quarter ended 30 June 2018 due to higher revenue from environmental consultancy & monitoring services. However, the Group reported lower profit from operations by RM0.2 million mainly due to lower profit for laboratory services and losses from waste water treatment & solution.

FOR THE SECOND QUARTER ENDED 30 JUNE 2019  
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 & monitoring services segment revenue contributed 42% of the total Group revenue.

The segment revenue is higher by 45% compared to the preceding year corresponding quarter ended 30 June 2018 due to higher revenue generated from Malaysia and Saudi operations. Furthermore, the profit from operation for the segment has turned around from RM2.3 million loss in preceding year corresponding period 30 June 2018 to RM1.1 million profit for the first six months ended 30 June 2019.

b) **Laboratory services**

Laboratory services segment revenue contributed 55% of the total Group revenue.

For the first six months ended 30 June 2019, the segment revenue is lower by 2% compared to the preceding year corresponding quarter ended 30 June 2018 due to lower revenue from both Malaysia and Indonesia operation. The segment profit from operation is lower by 24% for the same period under review due to higher operating expenses from both Malaysia and Indonesia operations.

c) **Waste water treatment & solution**

Waste water treatment & solution segment revenue contributed 2% of the total Group revenue. Revenue was lower than the preceding year corresponding quarter ended 30 June 2018 due to lack of new projects awarded.

**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 30.06.2019 RM'000	Preceding Quarter 31.03.2019 RM'000		
<b>Revenue</b>				
Environmental consultancy & monitoring services	8,996	11,282	(2,286)	(0.20)
Laboratory services	13,513	13,070	443	0.03
Waste water treatment & solution	281	757	(476)	(0.63)
Corporate holding and Elimination	398	443	(45)	(0.10)
	<u>23,188</u>	<u>25,552</u>	<u>(2,364)</u>	<u>(0.09)</u>
<b>Segment results</b>				
Environmental consultancy & monitoring services	789	363	426	1.17
Laboratory services	4,843	4,781	62	0.01
Waste water treatment & solution	(521)	(341)	(180)	0.53
Corporate holding and Elimination	(1,265)	(1,122)	(143)	0.13
Profit from operations	<u>3,846</u>	<u>3,681</u>	<u>165</u>	<u>0.04</u>
Finance charges	(520)	(459)	(61)	0.13
Profit before tax	<u>3,326</u>	<u>3,222</u>	<u>104</u>	<u>0.03</u>
Tax Expense	(1,151)	(1,237)	86	(0.07)
Profit net of tax	<u>2,175</u>	<u>1,985</u>	<u>190</u>	<u>0.10</u>
Non Controlling interest	(1,401)	(1,566)	165	(0.11)
Profit attributable to owners of the company	<u><u>774</u></u>	<u><u>419</u></u>	<u>355</u>	<u>0.85</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 2019, the Group's revenue was lower by 9% compared to the preceding quarter ended 31 March 2019 due to lower revenue from environmental consultancy & monitoring services. However, the Group reported higher profit from operations by 4% compared to the preceding quarter ended 31 March 2019 mainly contribution from environmental consultancy & monitoring services.

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

a) **Environmental consultancy & monitoring services**

Environmental consultancy & monitoring services reported a profit from operations amounted to RM0.7 million for the quarter ended 30 June 2019 as compared to profit of RM0.4 million in the previous quarter ended 31 March 2019 due to lower cost incurred during the quarter.

b) **Laboratory services**

Laboratory services segment reported higher revenue and profit from operations which was contributed by Indonesia operation.

c) **Waste water treatment & solution**

The waste water segment recorded a loss of RM521k for the quarter ended 30 June 2019 as compared to loss of RM341k in the previous quarter due to lack of new projects awarded.

**B3. Commentary on prospects**

The group shall continue to explore new opportunities by deploying its resources effectively and efficiently, leveraging on its main products and services in the business areas of environmental management solutions and lab testing services for both local and international market.

The Board of Directors is still of the opinion that environmental and food safety regulations are the main drivers for business. Given the economical and political uncertainties locally and abroad, the Board is of the view that the prospect for the financial year ending 31 December 2019 remains challenging.

**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 2019.

**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 2019.

**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 2018 was not qualified.

By order of the Board  
**PROGRESSIVE IMPACT CORPORATION BERHAD**  
Hajjah Zaidah Binti Haji Mohd Salleh  
Company Secretary (MIA 3313)

Shah Alam