

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

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

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 30.09.2019 RM'000	Preceding Quarter 30.09.2018 RM'000		Current Year To Date 30.09.2019 RM'000	Preceding Year To Date 30.09.2018 RM'000	
Revenue	26,148	19,470	0.34	74,888	62,089	0.21
Cost of sales	(9,819)	(6,515)		(27,764)	(18,752)	
Gross profit	16,329	12,955	0.26	47,124	43,337	0.09
Profit income	44	203		360	514	
Other income	79	149		338	573	
Staff costs	(8,140)	(7,027)		(23,943)	(20,465)	
Depreciation and amortisation	(1,499)	(1,856)		(4,399)	(5,197)	
Other operating expenses	(3,623)	(2,287)		(8,763)	(8,767)	
Profit from operations	3,190	2,137	0.49	10,717	9,995	0.07
Finance costs	(347)	(359)		(1,326)	(931)	
Profit before tax	2,843	1,778	0.60	9,391	9,064	0.04
Income tax expense	(1,873)	(1,088)		(4,261)	(3,575)	
Profit net of tax	970	690	0.41	5,130	5,489	(0.07)
Other comprehensive income:						
Foreign currency translation	212	(1,076)		413	(1,031)	
Other comprehensive income attributable to:	212	(1,076)		413	(1,031)	
Total comprehensive income for the period	1,182	(386)	(4.06)	5,543	4,458	0.24
Net Profit attributable to:						
Owners of the parent	(201)	(791)	(0.75)	992	(351)	(3.83)
Minority interest	1,171	1,481	(0.21)	4,138	5,840	(0.29)
	970	690	0.41	5,130	5,489	(0.07)

PROGRESSIVE IMPACT CORPORATION BERHAD
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(The figures have not been audited)
(CONT'D.)

Total comprehensive income
attributable to :

Owners of the parent	11	(2,225)	(1.00)	1,467	(1,351)	(2.09)
Minority interest	1,171	1,839	(0.36)	4,076	5,809	(0.30)
	<u>1,182</u>	<u>(386)</u>	(4.06)	<u>5,543</u>	<u>4,458</u>	0.24

Earning per share attributable to equity holders of the parent

Basic earning per share (sen) *	<u>(0.03)</u>	<u>(0.12)</u>		<u>0.15</u>	<u>(0.05)</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 SEPTEMBER 2019
(The figures have not been audited)

	Unaudited 30.09.2019 RM'000	Audited 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	38,979	39,050
Investment properties	38,143	37,219
Prepaid lease payment	810	829
Intangible assets	861	861
Deferred tax assets	101	175
	78,894	78,134
Current assets		
Trade and other receivables	49,947	39,953
Amount due from customer on contract	419	5,336
Other current financial assets	11,481	7,462
Tax recoverable	3,473	3,164
Cash and bank balances	21,163	22,799
	86,483	78,714
TOTAL ASSETS	165,377	156,848
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,970	65,970
Treasury shares	(312)	(231)
Other reserves	(200)	(675)
Retained earnings	14,019	15,322
	79,477	80,386
Non controlling interest	30,407	28,381
Total equity	109,884	108,767
Non-current liabilities		
Retirement benefits obligation	2,955	2,500
Deferred tax liabilities	3,115	2,885
Interest bearing loans and borrowings	664	677
	6,734	6,062
Current liabilities		
Trade and other payables	17,638	14,718
Interest bearing loans and borrowings	30,227	25,354
Tax payable	894	1,947
	48,759	42,019
Total liabilities	55,493	48,081
TOTAL EQUITY AND LIABILITIES	165,377	156,848
Net assets per share attributable to equity holders of the parent (RM)	0.12	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 2018 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 2019
(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 2018	65,970	(202)	(329)	19,142	84,581	26,804	111,385
Total comprehensive income for the period	-	-	(1,000)	(351)	(1,351)	5,809	4,458
Transaction with owner							
Dividend payable	-	-	-	(3,283)	(3,283)	-	(3,283)
Dividend payable to non-controlling interest	-	-	-	-	-	(2,245)	(2,245)
Purchase of treasury shares	-	(10)	-	-	(10)	-	(10)
At 30 September 2018	65,970	(212)	(1,329)	15,508	79,937	30,368	110,305
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
Transaction with owner							
Dividend payable	-	-	-	(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

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 THIRD QUARTER ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

	Cumulative Current Year Quarter 30.09.2019 RM'000	Cumulative Preceding Year Period 30.09.2018 RM'000
Cash flows from operating activities		
Profit before taxation	9,391	9,064
Adjustments for :		
Depreciation and amortisation	4,399	5,197
Loss/(Gain) on disposal of property, plant and equipment	32	(26)
Provision for retirement benefits	100	100
Provision for doubtful debts	11	111
Reversal of impairment of receivable	-	(185)
Net unrealised foreign exchanges loss	446	(688)
Finance cost	1,326	931
Profit income from deposits	(129)	(365)
Dividend from unit trust	(231)	(149)
Operating profit before working capital changes	<u>15,345</u>	<u>13,990</u>
Working capital changes :		
(Increase)/Decrease in receivable	(8,355)	1,286
Decrease in inventories and work-in-progress	-	75
Increase in payables	11,208	(2,701)
Cash generated from operations	<u>18,198</u>	<u>12,650</u>
Finance cost paid	(1,326)	(931)
Tax paid	(4,261)	(4,053)
Net cash generated from operating activities	<u>12,611</u>	<u>7,666</u>
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	1,041	26
Withdrawal of unit trust	(4,019)	(2,052)
Purchase of property, plant & equipment	(4,944)	(4,702)
Land conversion premium	(1,441)	-
Profit received from deposits	129	365
Dividend in unit trust	231	149
Withdrawal of restricted deposits	-	(3,800)
Net cash used in investing activities	<u>(9,003)</u>	<u>(10,014)</u>
Cash flows from financing activities		
(Repayment)/drawdown of borrowings	(1,892)	173
Purchase of treasury shares	(81)	(10)
Dividend paid	(2,296)	(3,283)
Dividend paid to NCI	(4,305)	(5,740)
Net cash used in financing activities	<u>(8,574)</u>	<u>(8,860)</u>
Net decrease in cash and cash equivalents	(4,966)	(11,208)
Cash and cash equivalents at 1 January 2019/2018	520	3,477
Cash and cash equivalents at 30 September 2019/2018	<u>(4,446)</u>	<u>(7,731)</u>

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

Cash and cash equivalents :

Cash and bank balances	21,163	18,448
Overdraft	<u>(18,079)</u>	<u>(18,764)</u>
	3,084	(316)
Less: Restricted deposits	<u>(7,530)</u>	<u>(7,415)</u>
	<u><u>(4,446)</u></u>	<u><u>(7,731)</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 2018 and the accompanying explanatory notes attached to the financial statements.

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 25 November 2019.

A2. Basis of preparation

The consolidated condensed interim financial information for the 9 months ended 30 September 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.

MFRSs and amendments to MFRSs	Effective for annual period beginning on or after
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.

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019
SELECTED EXPLANATORY NOTES

A5. Changes in composition of the Group

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

A6. Segment information

30 September 2019

	Environmental Consultancy & Monitoring Services RM '000	Laboratory Services RM '000	Waste Water Treatment & Solution RM '000	Others* RM '000	Elimination RM '000	Cumulative Quarter Ended 30.09.2019 RM '000
External revenue	30,447	40,643	1,629	2,169	-	74,888
Inter- segment revenue	19	822	139	3,228	(4,208)	-
Total revenue	30,466	41,465	1,768	5,397	(4,208)	74,888

Segment Results

Segment profit/(loss)						
from operations	528	14,926	(1,351)	371	(3,757)	10,717
Finance cost	(628)	-	(171)	(1,228)	701	(1,326)
Income tax expense	(33)	(4,104)	(8)	(116)	-	(4,261)
Profit net of tax						5,130
Non-controlling interest						(4,138)
Net profit for the period						992

30 September 2018

	Environmental Consultancy & Monitoring Services RM'000	Laboratory Services RM'000	Waste Water Treatment & Solution RM'000	Others* RM'000	Elimination RM'000	Cumulative Quarter Ended 30.09.2018 RM'000
Segment Revenue						
External revenue	20,955	38,092	901	2,141		62,089
Inter- segment revenue	11	1,134	496	3,484	(5,125)	-
Total revenue	20,966	39,226	1,397	5,625	(5,125)	62,089

Segment Results

Segment (loss)/profit						
from operations	(3,127)	17,320	(678)	(1,954)	(1,566)	9,995
Financing cost						(931)
Income tax expense						(3,575)
Profit net of tax						5,489
Non-controlling interest						(5,840)
Net profit for the period						(351)

* 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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A7. Seasonality or cyclicity

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

A8. Profit before taxation

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Profit before taxation is arrived at after charging/(crediting):				
Provision for doubtful debts	-	11	-	111
Reversal of Provision for doubtful debt	-	(170)	-	(185)
Unrealised foreign exchange currency loss/(gain)	442	(706)	446	(688)
Loss/(Gain) on disposal of property, plant and equipment	-	-	32	(26)
Zakat	378	51	732	456

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Current tax :				
- Malaysia Income Tax	1,007	888	2,724	2,873
- Foreign Tax	659	253	1,233	996
- Deferred Tax	207	(53)	304	(294)
Tax expense	1,873	1,088	4,261	3,575
Effective tax rate			45%	39%

Tax expense for the current quarter is higher compared to preceding year corresponding quarter due to additional tax liability for both current and prior years. The effective tax rate for 2019 and 2018 is higher than the statutory income tax rate of 24% due to losses incurred by subsidiary companies 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		Cumulative quarter	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Profit for the period (RM'000)	(201)	(791)	992	(351)
Number of ordinary shares of RM0.10 each in issue ('000)	655,796	656,609	655,796	656,609
Basic Earnings Per Share (sen)	(0.03)	(0.12)	0.15	(0.05)

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

	30.09.2019	31.12.2018
	RM'000	RM'000
Short term borrowings		
Hire purchase	90	344
Overdraft	18,079	12,653
Revolving Credit	10,038	10,041
Term loan	2,020	2,316
	<u>30,227</u>	<u>25,354</u>
Long term borrowings		
Hire purchase	664	677
	<u>664</u>	<u>677</u>
Total borrowings	<u>30,891</u>	<u>26,031</u>

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

A13. Trade receivables

	30.09.2019	31.12.2018
	RM'000	RM'000
Trade and Other receivable	<u>49,947</u>	<u>39,953</u>

A14. Dividends

No dividend declared or paid during current quarter.

A15. Commitments

	30.09.2019	31.12.2018
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	1,781	1,009
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>1,781</u>	<u>1,009</u>

PROGRESSIVE IMPACT CORPORATION BERHAD
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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 September 2019.

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

Share buybacks/ Treasury shares of the Company

	30.09.2019	31.12.2018
	RM'000	RM'000
As at 1 January	231	201
Share buyback	81	30
As at 30 September/December	<u>312</u>	<u>231</u>

B EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS : CHAPTER 9, APPENDIX 9B, PART A

B1. Performance review
Review of Group Performance

	Current year to date 30.09.2019 RM'000	Preceding year corresponding period 30.09.2018 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental consultancy & monitoring services	30,466	20,966	9,500	0.45
Laboratory services	41,465	39,226	2,239	0.06
Waste water treatment & solution	1,768	1,397	371	0.27
Corporate holding and Elimination	1,189	500	689	>1.00
	74,888	62,089	12,799	0.21
Segment results				
Environmental consultancy & monitoring services	528	(3,127)	3,655	>1.00
Laboratory services	14,926	17,320	(2,394)	(0.14)
Waste water treatment & solution	(1,351)	(678)	(673)	(0.99)
Corporate holding and Elimination	(3,386)	(3,520)	134	0.04
Profit from operations	10,717	9,995	722	0.07
Finance charges	(1,326)	(931)	(395)	(0.42)
Profit before tax	9,391	9,064	327	0.04
Tax expense	(4,261)	(3,575)	(686)	(0.19)
Profit net of tax	5,130	5,489	(359)	(0.07)
Non controlling interest	(4,138)	(5,840)	1,702	0.29
Profit attributable to owners of the Company	992	(351)	1,343	>1.00

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 as well as water purification system.

1.2 Group and Segments Analysis

Group Analysis:

For the nine months ended 30 September 2019, the Group reported higher revenue by RM12.8 million compared to the preceding year corresponding quarter ended 30 September 2018 due to higher revenue from environmental consultancy & monitoring services. However, the Group reported higher profit from operations by RM0.7 million mainly due to higher profit for environmental consultancy & monitoring services by RM3.8 mil and offsetted against lower profit from laboratory services by RM2.4 million and higher loss from waste water by RM0.7 million

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 41% of the total Group revenue.

The segment revenue is higher by 45% compared to the preceding year corresponding quarter ended 30 September 2018 due to higher revenue generated from Malaysia and Saudi operations. Furthermore, the profit from operation for the segment has turned around from RM3.2 million loss in preceding year corresponding period 30 September 2018 to RM0.5 million profit for the period ended 30 September 2019.

b) **Laboratory services**

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

For the period ended 30 September 2019, the segment revenue is lower by 6% compared to the preceding year corresponding quarter ended 30 September 2018 due to lower revenue from both Malaysia and Indonesia operation. The segment profit from operation is lower by 14% 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 and profit from operation was lower than the preceding year corresponding quarter ended 30 September 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 30.09.2019 RM'000	Preceding Quarter 30.06.2019 RM'000		
Revenue				
Environmental consultancy & monitoring services	10,188	8,996	1,192	0.13
Laboratory services	14,882	13,513	1,369	0.10
Waste water treatment & solution	730	281	449	>1.00
Corporate holding and Elimination	348	398	(50)	(0.13)
	<u>26,148</u>	<u>23,188</u>	<u>2,960</u>	<u>0.13</u>
Segment results				
Environmental consultancy & monitoring services	(581)	746	(1,327)	>(1.00)
Laboratory services	5,302	4,843	459	0.09
Waste water treatment & solution	(532)	(478)	(54)	0.11
Corporate holding and Elimination	(999)	(1,265)	266	(0.21)
Profit from operations	<u>3,190</u>	<u>3,846</u>	<u>(656)</u>	<u>(0.17)</u>
Finance charges	<u>(347)</u>	<u>(520)</u>	173	(0.33)
Profit before tax	<u>2,843</u>	<u>3,326</u>	<u>(483)</u>	<u>(0.15)</u>
Tax expense	<u>(1,873)</u>	<u>(1,151)</u>	<u>(722)</u>	<u>0.63</u>
Profit net of tax	<u>970</u>	<u>2,175</u>	<u>(1,205)</u>	<u>(0.55)</u>
Non controlling interest	(1,294)	(1,401)	107	(0.08)
Profit attributable to owners of the company	<u>(324)</u>	<u>774</u>	<u>(1,098)</u>	<u>>(1.00)</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 September 2019, the Group's revenue was higher by 13% compared to the preceding quarter ended 30 June 2019 due to higher revenue from laboratory services and environmental consultancy & monitoring services. However, the Group's profit from operation was lower by 17% compared to the preceding quarter ended 30 June 2019 due to losses incurred by environmental consultancy & monitoring services segment .

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

a) **Environmental consultancy & monitoring services**

Environmental consultancy & monitoring services reported a loss from operations amounted to RM0.6 million for the quarter ended 30 September 2019 as compared to profit of RM0.7 million in the previous quarter ended 30 June 2019 due to lower losses incurred by Saudi operation.

b) **Laboratory services**

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

c) **Waste water treatment & solution**

The waste water segment was slightly higher compared to previous quarter ended 30 June 2019 due to higher losses incurred by Saudi operation.

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 September 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 September 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