

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
(The figures have not been audited)

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 31.12.2019 RM'000	Preceding Quarter 31.12.2018 RM'000		Current Year To Date 31.12.2019 RM'000	Preceding Year To Date 31.12.2018 RM'000	
Revenue	24,617	25,376	(0.03)	99,505	87,465	0.14
Cost of sales	(6,336)	(9,114)		(34,100)	(27,866)	
Gross profit	18,281	16,262	0.12	65,405	59,599	0.10
Profit income	-	-		360	454	
Other income	986	137		1,324	770	
Staff costs	(6,447)	(5,468)		(30,390)	(25,933)	
Depreciation and amortisation	(1,802)	(1,468)		(6,201)	(6,665)	
Other operating expenses	(4,400)	(4,369)		(13,163)	(13,136)	
Profit from operations	6,618	5,094	0.30	17,335	15,089	0.15
Finance costs	(897)	(1,343)		(2,223)	(2,274)	
Profit before tax	5,721	3,751	0.53	15,112	12,815	0.18
Income tax expense	(3,202)	(2,080)		(7,463)	(5,655)	
Profit net of tax	2,519	1,671	0.51	7,649	7,160	0.07
Other comprehensive income:						
Foreign currency translation	192	681		605	(350)	
Actuarial (loss)/gain on retirement benefit	(51)	(203)		(51)	(203)	
Other comprehensive income attributable to:	141	478		554	(553)	
Total comprehensive income for the period	2,660	2,149	0.24	8,203	6,607	0.24
Net Profit attributable to:						
Owners of the parent	942	799	0.18	1,934	448	3.32
Minority interest	1,577	872	0.81	5,715	6,712	(0.15)
	2,519	1,671	0.51	7,649	7,160	0.07

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 (The figures have not been audited)
 (CONT'D.)

Total comprehensive income
attributable to :

Owners of the parent	717	1,453	(0.51)	2,184	102	20.41
Minority interest	1,943	696	1.79	6,019	6,505	(0.07)
	<u>2,660</u>	<u>2,149</u>	0.24	<u>8,203</u>	<u>6,607</u>	0.24

Earning per share attributable to equity holders of the parent

Basic earning per share (sen) *	<u>0.14</u>	<u>0.12</u>		<u>0.29</u>	<u>0.07</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 31 DECEMBER 2019
(The figures have not been audited)

	Unaudited 31.12.2019 RM'000	Audited 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,024	38,834
Right to use	1,194	-
Investment properties	37,905	37,219
Prepaid lease payment	795	829
Intangible assets	861	861
Deferred tax assets	-	175
	80,779	77,918
Current assets		
Inventories	59	-
Trade and other receivables	41,427	40,169
Contract assets	5,979	5,336
Other current financial assets	13,578	7,462
Tax recoverable	421	3,164
Cash and bank balances	22,080	22,799
	83,544	78,930
TOTAL ASSETS	164,323	156,848
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,970	65,970
Treasury shares	(330)	(231)
Other reserves	(425)	(675)
Retained earnings	14,960	15,322
	80,175	80,386
Non controlling interest	30,095	28,381
Total equity	110,270	108,767
Non-current liabilities		
Retirement benefits obligation	2,675	2,500
Lease Liability	920	-
Deferred tax liabilities	3,401	2,885
Interest bearing loans and borrowings	237	677
	7,233	6,062
Current liabilities		
Trade and other payables	17,393	14,718
Interest bearing loans and borrowings	27,437	25,354
Lease Liability	240	-
Tax payable	1,750	1,947
	46,820	42,019
Total liabilities	54,053	48,081
TOTAL EQUITY AND LIABILITIES	164,323	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 FOURTH QUARTER ENDED 31 DECEMBER 2019
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable	Non		Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Controlling Interest RM'000	
At 1 January 2018	65,970	(202)	(329)	19,142	84,581	26,804	
Total comprehensive income for the period	-	-	(345)	448	103	6,503	6,606
Transaction with owner							
Dividend payable	-	-	-	(4,268)	(4,268)	-	(4,268)
Dividend payable to non-controlling interest	-	-	-	-	-	(4,926)	(4,926)
Purchase of treasury shares	-	(30)	-	-	(30)	-	(30)
At 31 December 2018	65,970	(232)	(674)	15,322	80,386	28,381	108,767
At 1 January 2019	65,970	(231)	(675)	15,322	80,386	28,381	108,767
Total comprehensive income for the period	-	-	250	1,934	2,184	6,019	8,203
Transaction with owner							
Dividend payable	-	-	-	(2,296)	(2,296)	-	(2,296)
Dividend payable to non-controlling interest	-	-	-	-	-	(4,305)	(4,305)
Purchase of treasury shares	-	(99)	-	-	(99)	-	(99)
At 31 DECEMBER 2019	65,970	(330)	(425)	14,960	80,175	30,095	110,270

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
(Company No. 203352-V)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
(The figures have not been audited)

	Cumulative Current Year Quarter 31.12.2019 RM'000	Cumulative Preceding Year Period 31.12.2018 RM'000
Cash flows from operating activities		
Profit before taxation	15,112	12,815
Adjustments for :		
Depreciation and amortisation	6,201	6,665
Gain on disposal of property, plant and equipment	(447)	(25)
Provision for retirement benefits	304	628
Provision for doubtful debts	412	441
Reversal of impairment of receivable	(45)	(30)
Net unrealised foreign exchanges loss	133	227
Finance cost	2,223	2,274
Profit income from deposits	(360)	(454)
Fair value gain on other current financial asset	(244)	(261)
Impairment PPE	-	236
Operating profit before working capital changes	<u>23,289</u>	<u>22,516</u>
Working capital changes :		
Increase in receivable	(6,559)	(10,187)
Increase in inventories and work-in-progress	(59)	-
Increase in payables	<u>7,624</u>	<u>2,121</u>
Cash generated from operations	24,295	14,450
Finance cost paid	(2,223)	(2,274)
Tax paid	(4,298)	(5,084)
Net cash generated from operating activities	<u>17,774</u>	<u>7,092</u>
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	447	31
(Placement)/Withdrawal of unit trust	(6,116)	205
Purchase of property, plant & equipment	(6,224)	(6,739)
Addition of Right of Use	(1,467)	-
Land conversion premium	(1,427)	-
Profit received from deposits	360	454
Withdrawal of restricted deposits	1,910	(2,231)
Net cash used in investing activities	<u>(12,517)</u>	<u>(8,279)</u>
Cash flows from financing activities		
(Repayment)/drawdown of borrowings	(112)	9,462
Purchase of treasury shares	(98)	(30)
Dividend paid	(2,295)	(4,268)
Dividend paid to NCI	(4,305)	(8,024)
Repayment of Islamic Hire purchase	(101)	(25)
	-	1,094
Net cash used in financing activities	<u>(6,911)</u>	<u>(1,791)</u>
Net decrease in cash and cash equivalents	(1,654)	(2,978)
Cash and cash equivalents at 1 January 2019/2018	499	3,477
Cash and cash equivalents at 31 December 2019/2018	<u>(1,155)</u>	<u>499</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
(The figures have not been audited)
(CONT'D)

Cash and cash equivalents :

Cash and bank balances	22,080	22,798
Overdraft	<u>(15,491)</u>	<u>(12,653)</u>
	6,589	10,145
Less: Restricted deposits	<u>(7,744)</u>	<u>(9,646)</u>
	<u><u>(1,155)</u></u>	<u><u>499</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
(Company No. 203352-V)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 28 February 2020.

A2. Basis of preparation

The consolidated condensed interim financial information for the year ended 31 December 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 2: MFRS 2 Share-based Payment	1 January 2020
Amendments to MFRS 3: Business Combination	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	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
(Company No. 203352-V)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
SELECTED EXPLANATORY NOTES

A5. Changes in composition of the Group

No changes in composition of group for quarter ended 31 December 2019.

A6. Segment information

	Environmental Consultancy & Monitoring				Cumulative Quarter Ended 31.12.2019
	Services	Laboratory Services	Others*	Elimination	
	RM '000	RM '000	RM '000	RM '000	
External revenue	40,880	55,726	2,899	-	99,505
Inter-segment revenue	226	1,073	6,903	(8,202)	-
Total revenue	41,106	56,799	9,802	(8,202)	99,505

Segment Results

Segment profit/(loss)					
from operations	914	20,288	3,620	(7,487)	17,335
Finance cost	(1,856)	(8)	(1,090)	731	(2,223)
Income Tax expense	(1,606)	(5,714)	(143)	-	(7,463)
Profit net of tax					7,649
Non-controlling interest					(5,715)
Net profit for the period					1,934

	Environmental Consultancy & Monitoring				Cumulative Quarter Ended 31.12.2018
	Services	Laboratory Services	Others*	Elimination	
	RM'000	RM'000	RM'000	RM'000	
Segment Revenue					
External revenue	32,446	52,166	2,853	-	87,465
Inter-segment revenue	66	1,893	9,822	(11,781)	-
Total revenue	32,512	54,059	12,675	(11,781)	87,465

Segment Results

Segment (loss)/profit					
from operations	(1,987)	21,635	3,310	(7,869)	15,089
Financing cost	(1,216)	(105)	(1,400)	447	(2,274)
Income tax expense	56	(5,527)	(184)	-	(5,655)
Profit net of tax					7,160
Non-controlling interest					(6,712)
Net profit for the period					448

* 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.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Provision for doubtful debts	412	331	412	442
Reversal of Provision for doubtful debt	(45)	171	(45)	(14)
Unrealised foreign exchange currency loss/(gain)	-	916	133	228
Loss/(Gain) on disposal of property, plant and equipment	(479)	26	(447)	-
Zakat	-	317	803	773

A9. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	1,365	1,441	4,089	4,314
- Foreign Tax	1,450	561	2,683	1,557
- Deferred Tax	387	78	691	(216)
Tax expense	3,202	2,080	7,463	5,655
Effective tax rate			49%	44%

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 as well as the additional tax liability for the prior years.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
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 12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit for the period (RM'000)	942	799	1,934	448
Number of ordinary shares of RM0.10 each in issue ('000)	655,631	656,609	655,631	656,609
Basic Earnings Per Share (sen)	0.14	0.12	0.29	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

	31.12.2019 RM'000	31.12.2018 RM'000
Short term borrowings		
Hire purchase	100	344
Overdraft	15,491	12,653
Revolving Credit	10,038	10,041
Finance lease	45	-
Term loan	1,763	2,316
	<u>27,437</u>	<u>25,354</u>
Long term borrowings		
Hire purchase	237	677
	<u>237</u>	<u>677</u>
Total borrowings	<u>27,674</u>	<u>26,031</u>

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

A13. Trade receivables

	31.12.2019 RM'000	31.12.2018 RM'000
Trade and Other receivable	<u>41,427</u>	<u>40,169</u>

A14. Dividends

At the forthcoming Annual general meeting, a final net dividend of 0.55 sen in respect of financial year ended 31 December 2019 amounting to dividend payable of RM 3,605,971 will be proposed for shareholders approval. The date of entitlement and payment will be determined in due course. The current quarter do not reflect this proposed dividend. Such dividend, if approved by shareholder, will be accounted for in equity as an appropriation of retained profits of the financial year ended 31 December 2020.

A15. Commitments

	31.12.2019 RM'000	31.12.2018 RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	180	1,009
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>180</u>	<u>1,009</u>

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
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 31 December 2019.

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

Share buybacks/ Treasury shares of the Company

	31.12.2019	31.12.2018
	RM'000	RM'000
As at 1 January	231	201
Share buyback	99	30
As at 31 December	<u>330</u>	<u>231</u>

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31.12.2019 RM'000	Preceding year corresponding period 31.12.2018 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental consultancy & monitoring services	41,106	32,512	8,594	0.26
Laboratory services	56,799	54,059	2,740	0.05
Corporate holding and Elimination	1,600	894	706	>1.00
	<u>99,505</u>	<u>87,465</u>	<u>12,040</u>	<u>0.14</u>
Segment results				
Environmental consultancy & monitoring services	914	(1,987)	2,901	>1.00
Laboratory services	20,288	21,635	(1,347)	(0.06)
Corporate holding and Elimination	(3,867)	(4,559)	692	0.15
Profit from operations	<u>17,335</u>	<u>15,089</u>	<u>2,246</u>	<u>0.15</u>
Finance charges	(2,223)	(2,274)	51	0.02
Profit before tax	<u>15,112</u>	<u>12,815</u>	<u>2,297</u>	<u>0.18</u>
Tax expense	(7,463)	(5,655)	(1,808)	(0.32)
Profit net of tax	<u>7,649</u>	<u>7,160</u>	<u>489</u>	<u>0.07</u>
Non controlling interest	(5,715)	(6,712)	997	0.15
Profit attributable to owners of the Company	<u>1,934</u>	<u>448</u>	<u>1,486</u>	<u>>1.00</u>

1.1 Segments Background:

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

- The environmental consultancy & monitoring services segment includes the provision of environmental related services in air, water, wastewater and public health.
- The laboratory 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 RM12 million compared to the preceding year due to higher revenue from environmental consultancy & monitoring services. Similarly, the Group reported higher profit from operations by RM2.2 million mainly due to the turnaround of environmental consultancy & monitoring services by RM2.9 mil.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 26% compared to the preceding year due to higher revenue generated from Malaysia operations. Furthermore, the profit from operation for the segment has turned around from RM2 million loss in preceding year to RM0.9 million profit for the period ended 31 December 2019.

b) **Laboratory services**

Laboratory services segment revenue contributed 57% of the total Group revenue.

For the year ended 31 December 2019, the segment revenue is higher by 5% compared to the preceding year due to higher revenue from both Malaysia and Indonesia operation. The segment profit from operation is lower by 6% due to higher operating expenses from both Malaysia and Indonesia operations.

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

	Individual Quarter Current Quarter 31.12.2019 RM'000	Preceding Quarter 30.09.2019 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental consultancy & monitoring services	8,872	10,918	(2,046)	(0.19)
Laboratory services	15,334	14,882	452	0.03
Corporate holding and Elimination	411	348	63	0.18
	24,617	26,148	(1,531)	(0.06)
Segment results				
Environmental consultancy & monitoring services	1,737	(1,113)	2,850	>(1.00)
Laboratory services	5,362	5,302	60	0.01
Corporate holding and Elimination	(481)	(999)	518	(0.52)
Profit from operations	6,618	3,190	3,428	1.07
Finance charges	(897)	(347)	(550)	1.59
Profit before tax	5,721	2,843	2,878	1.01
Tax expense	(3,202)	(1,873)	(1,329)	0.71
Profit net of tax	2,519	970	1,549	1.60
Non controlling interest	(1,577)	(1,171)	(406)	0.35
Profit attributable to owners of the company	942	(201)	1,143	>(1.00)

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 lower by 6% compared to the preceding quarter ended 30 September 2019 due to lower revenue from environmental consultancy & monitoring services. However, the Group's profit from operation was higher by RM3.4 million compared to the preceding quarter ended 30 September 2019 due to higher profit 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 RM1.7million for the quarter ended 31 December 2019 as compared to loss of 1.1 million in the previous quarter ended 30 September 2019 mainly due to higher revenue generated by the Malaysia operation.

b) Laboratory services

Laboratory services segment reported higher revenue contributed by both Malaysia and Indonesia 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 2020 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 31 December 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 31 December 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