



PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 203352 V)

**ERRATA TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

Dear Shareholders

We refer to the Note 6 on Page 7 of the Quarterly Report on Consolidated Results for the financial period ended 31 December 2016, which were announced on 28 February 2017 and wish to inform you of the amendments highlighted in ***bold and italic*** in the attachment.

We apologise for any inconvenience caused.

Yours faithfully

ZAIDAH BINTI MOHD SALLEH (MIA 3313)

Company Secretary

Shah Alam

2 March 2017

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2016 RM'000	Corresponding Quarter 31.12.2015 RM'000	Current Year To Date 31.12.2016 RM'000	Corresponding Period 31.12.2015 RM'000
Revenue	24,386	21,548	88,935	80,529
Cost of sales	(3,847)	(3,734)	(19,509)	(14,461)
Gross profit	20,540	17,814	69,427	66,068
Profit income	428	93	743	290
Other income	4,805	(119)	5,262	4,777
Staff costs	(7,877)	(9,723)	(26,486)	(29,849)
Depreciation and amortisation	(2,998)	(2,007)	(7,989)	(7,045)
Other operating expenses	(18,068)	(9,739)	(33,155)	(21,116)
(Loss)/profit from operations	(3,170)	(3,681)	7,802	13,125
Finance costs	(219)	(142)	(911)	(265)
(Loss)/profit before tax	(3,389)	(3,823)	6,891	12,860
Income tax expense	(2,576)	(6,496)	(8,394)	(13,866)
Loss net of tax	(5,965)	(10,319)	(1,503)	(1,006)
Other comprehensive (loss)/income:				
Foreign currency translation	(2,772)	2,022	(1,698)	329
	(2,772)	2,022	(1,698)	329
Other comprehensive (loss)/income attributable to:				
Total comprehensive losses for the period	(8,737)	(8,297)	(3,201)	(677)
(Loss)/profit attributable to:				
Owners of the parent	(7,017)	(9,682)	(6,736)	(2,283)
Minority interest	1,052	(637)	5,233	1,277
	(5,965)	(10,319)	(1,503)	(1,006)
Total comprehensive (loss)/income attributable to :				
Owners of the parent	(8,084)	(9,469)	(6,954)	(2,795)
Minority interest	(653)	1,172	3,753	2,118
	(8,737)	(8,297)	(3,201)	(677)
Deficit per share attributable to equity holders of the parent				
Basic deficit per share (sen) *	(1.07)	(1.47)	(1.02)	(0.35)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
(The figures have not been audited)

	Unaudited 31.12.2016 RM'000	Audited 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,153	42,480
Investment properties	38,599	39,274
Prepaid lease payment	972	1,120
Intangible assets	1,159	11,759
Deferred tax assets	-	1,130
	85,883	95,763
Current assets		
Inventories	630	1,003
Trade and other receivables	32,047	40,800
Investment in unit trusts	14,999	7,294
Cash and cash equivalents	30,135	33,652
	77,811	82,749
TOTAL ASSETS	163,694	178,512
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share Premium	170	170
Treasury Shares	(190)	(27)
Other reserves	(1,181)	(963)
Retained earnings	22,812	31,061
	87,411	96,041
Non Controlling Interest	25,871	27,448
Total equity	113,282	123,489
Non-current liabilities		
Retirement benefits obligation	1,616	1,428
Deferred tax liabilities	2,611	4,350
	4,227	5,778
Current liabilities		
Trade and other payables	23,957	31,294
Short term borrowings	21,218	17,079
Tax payable	1,010	873
	46,185	49,245
Total Liabilities	50,412	55,023
TOTAL EQUITY AND LIABILITIES	163,694	178,512
Net assets per share attributable to equity holders of the parent (RM)	0.13	0.15

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 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 2016
(The figures have not been audited)

	← Attributable to owners of the company →							Total Equity RM'000
	Share Capital RM'000	Non Distributable			Distributable Retained Profits RM'000	Total RM'000	Non controlling Interest RM'000	
		Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000				
At 1 January 2015	65,800	170	-	(451)	45,547	111,066	24,084	135,150
Total comprehensive (loss)/income for the period	-	-	-	(512)	(2,283)	(2,795)	2,118	(677)
Purchase of treasury shares			(26)			(26)		(26)
Acquisition of non- controlling interests					(9,703)	(9,703)	4,731	(4,972)
Dividends paid to non- controlling interests						-	(3,485)	(3,485)
Dividends					(2,500)	(2,500)		(2,500)
At 31 December 2015	65,800	170	(26)	(963)	31,061	96,042	27,448	123,490
At 1 January 2016	65,800	170	(26)	(963)	31,061	96,042	27,448	123,490
Total comprehensive (loss)/income for the period	-	-		(218)	(6,736)	(6,954)	3,753	(3,201)
Transactions with owner								
Purchase of Treasury Shares			(163)			(163)		(163)
Dividend	-	-			(1,512)	(1,512)		(1,512)
Dividend to Non Controlling Interest							(5,330)	(5,330)
At 31 December 2016	65,800	170	(190)	(1,181)	22,812	87,412	25,871	113,282

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 2015.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(Unaudited)

	Cumulative Current Year Quarter 31.12.2016 RM'000	Cumulative Preceding Year Period 31.12.2015 RM'000
Cash flows from operating activities		
Profit before taxation	6,891	12,860
Adjustments for :		
Depreciation	7,842	7,019
Amortisation of prepaid lease rental	147	25
Provision for retirement benefits obligation	188	433
Loss/(Gain) on disposal of property, plant & equipment; net	3	(101)
Provision for doubtful debts	3,986	2,402
Reversal of impairment of receivable	(33)	(82)
Bad Debt written off	-	578
Stock write off	281	-
Property, plant and equipment written off	1	1,648
Net unrealised foreign exchanges gain	(2,137)	(3,671)
Finance cost	911	265
Profit income from deposits	(389)	(75)
Dividend from unit trust	(354)	(214)
Impairment of Goodwill	10,600	1,540
Operating profit before working capital changes	<u>27,937</u>	<u>22,627</u>
Working capital changes :		
Decrease/(Increase) in receivable	6,066	(12,730)
Decrease/(Increase) in inventories and work-in-progress	373	(334)
(Decrease)/Increase in payables	(11,626)	8,204
Cash generated from operations	<u>22,750</u>	<u>17,767</u>
Finance cost paid	(911)	(266)
Tax paid	(7,641)	(10,400)
Net cash generated from operating activities	<u>14,198</u>	<u>7,101</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	5	385
Placement of unit trust	(7,705)	(4,278)
Purchase of property, plant & equipment	(9,033)	(4,904)
Purchase of investment property	(14)	(5)
Addition of investment in a subsidiary	-	(504)
Profit received from deposits	389	75
Dividend in unit trust	354	214
Movement in restricted deposits	(211)	(3,508)
Net cash used in investing activities	<u>(16,216)</u>	<u>(12,525)</u>
Cash flows from financing activities		
Drawdown/(repayment) of borrowings	(1,258)	1,070
Purchase of treasury shares	(163)	(28)
Dividend paid	(1,512)	(2,500)
Dividend to non-controlling interest	(3,965)	(3,485)
Net cash used in financing activities	<u>(6,899)</u>	<u>(4,943)</u>
Net decrease in cash and cash equivalents	(8,917)	(10,367)
Cash and cash equivalents at 1 January 2016/2015	12,595	23,172
Cash and cash equivalents at 31 December 2016/2015	<u>3,678</u>	<u>12,806</u>

Cash and cash equivalents :

Cash and bank balances	30,135	33,652
Overdraft	(19,544)	(14,146)
	<u>10,590</u>	<u>19,506</u>
Less: Restricted deposits	(6,912)	(6,700)
	<u>3,678</u>	<u>12,806</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 2015 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 2016
SELECTED EXPLANATORY NOTES

1. 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 2017

2. Basis of preparation

The consolidated condensed interim financial information for the 12 months ended 31 December 2016 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) and Appendix 9B (Part A) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements"). The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2015, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

3. MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

Effective for Annual periods commencing on or after 1 January 2016

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2016.

Amendments to MFRS 5, MFRS7, MFRS 119, MFRS 134	Annual Improvements to MFRSS 2012-2014 Cycle
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative

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
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosure	1 January 2018
Amendments to MFRS 2: Share-based Payment: Classification and Measurement	1 January 2018
Amendments to MFRS 10, MFRS128 : Sales or contribution of Assets between Investor and its Associate and Joint Venture	Deferred
Amendments to MFRS 107: Statement of Cash Flows: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised loss	1 January 2017

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
SELECTED EXPLANATORY NOTES

4. 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.

5. Changes in composition of the Group

There was no changes in the composition of the Group for the current quarter 31 December 2016.

6. Segment information

31 December 2016

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	42,392	39,967	3,128	3,449	-	88,935
Inter- segment revenue		4,040		16,936	(20,976)	-
Total revenue	42,392	44,007	3,128	20,385	(20,976)	88,935

Segment Results

Segment profit/(loss)						
from operations	5,214	17,443	(1,386)	14,381	(27,850)	7,802
Finance cost						(911)
Income tax expense						(8,394)
Loss net of tax						(1,503)
Non-controlling interest						(5,233)
Net loss for the period						(6,736)

31 December 2015

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	36,942	37,917	2,191	3,479	-	80,529
Inter- segment revenue	96	4,850	-	14,185	(19,131)	-
Total revenue	37,038	42,767	2,191	17,664	(19,131)	80,529

Segment Results

Segment profit/(loss)						
from operations	(14,593)	22,061	(760)	888	5,529	13,125
Financing cost						(265)
Income tax expense						(13,866)
Loss net of tax						(1,006)
Non-controlling interest						(1,277)
Net loss for the period						(2,283)

* The segment denotes as "others" includes the results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries involves in investment holding and investment property division.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
SELECTED EXPLANATORY NOTES

6. Segment information (cont'd)

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

- (a) The environmental consulting & engineering segment - providing environmental related services
- (b) The laboratory testing segment - chemical testing, consultancy service and other services of similar nature
- (c) The waste management engineering segment - provision of waste water treatment solution system.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

Environmental consulting & engineering

Environmental consulting revenue and engineering segment contributed 47% from the total Group's revenue. Revenue and profit has increased during the period ended as compared to the preceding year ended 31 December 2015 attributable to the increased of revenues from environmental monitoring services served across the industries as well as to the operational improvements for Saudi Arabia operations which the group has gain full control.

Laboratory testing

Laboratory testing segment contributed 44% of the total Group's revenue. The segment revenue shows an increased by 4% as compared to the preceding year ended 31 December 2015 mainly due to higher sales from lab operations in Indonesia. However, the segment shows a decreased in profit by 21% due to impact from foreign exchange transaction differences.

Waste management engineering

Waste management engineering segment has shown improvement in revenue during the period ended as compared to the preceding year ended 31 December 2015 due to project revenue conversion.

Consolidated loss for the year

For the period ended 31 December 2016, the Group's loss was RM6.7 million as compared to loss of RM2 million in preceding year ended 31 December 2015. The losses were attributed mainly by the impairment of goodwill amounting to RM10.6 Mil. The Impairment of goodwill is pursuant to the expiry of the interim agreement with the Department of Environment for the Provision of Environmental Monitoring and Data Management Activities on 13 April 2017.

7. Seasonality or cyclicity

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

8. Profit/(loss) before taxation

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Foreign exchange currency (gained)/losses	(2,944)	531	(2,179)	(4,165)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
SELECTED EXPLANATORY NOTES

9. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	1,334	2,282	7,732	8,253
- Foreign Tax	66	1,812	1,271	2,001
- Deferred Tax	1,176	2,402	(609)	3,612
Tax expense	2,576	6,496	8,394	13,866

The effective tax rate for the current quarter under review is higher compared to the current statutory income tax rate of 24% due to expenses not deductible for tax purposes.

10. Earnings per share

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

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Loss for the period (RM'000)	(7,017)	(9,682)	(6,736)	(2,283)
Number of ordinary shares of RM0.10 each in issue ('000)	656,780	657,973	656,780	657,973
Basic Earnings/(deficit) Per Share (sen)	(1.07)	(1.47)	(1.03)	(0.35)

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

11. 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.

12. Borrowings

	31.12.2016	31.12.2015
	RM'000	RM'000
Short term borrowings		
Overdraft	19,544	14,146
Term loan	1,674	2,933
	21,218	17,079

13. Dividends

In respect of the financial year ended 31 December 2015

The Board of Directors has on 23 May 2016 approved the payment of an final single tier dividend of 0.23 sen per share on 658,000,000 ordinary shares . The interim single- tier dividend was paid on 20 June 2016 to all shareholders on the Record of Depositors at the close ordinary shares.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
SELECTED EXPLANATORY NOTES

13. Dividends (cont'd.)

In respect of the financial year ended 31 December 2016

At the forthcoming Annual General meeting, a final net dividend of 0.61 sen in respect of financial year ended 31 December 2016 amounting to dividend payable of RM4,006,357 will be proposed for shareholders approval. The date of entitlement and payment will be determined in due course. The current quarter report 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 2017

14. Commitments

	31.12.2016	31.12.2015
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	650	743
Approved but not contracted for :		
Property, plant & equipment	-	1,391
	<u>650</u>	<u>2,134</u>

15. Contingent liabilities and contingent assets

There were no material changes in contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 31 December 2015.

16. 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.

17. Events after the reporting period

There were no material events subsequent to the end of the reporting quarter.

18. 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 2016

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

Share buybacks/ Treasury shares of the Company

	31.12.2016	31.12.2015
	RM'000	RM'000
As at 1 January	27	-
Share buyback	163	27
As at 31 December	<u>190</u>	<u>27</u>

20. Performance review

Explanatory comment on the performance of each of the Group's business activities is provided in Note 6.

21. Comment on material change in profit before taxation

There is no material change in the profit before taxation for the quarter reported as compared with the immediate preceding quarter.

22. Commentary on prospects

The group continues exploring the new market and opportunities using the competitive advantage of its main product and services. The regulations remain as the main driver of the business opportunities as well as the value proposition offered by our products and services.

The outlook for year 2017 is expected to be challenging whilst the group is emphasizing on securing strategic projects locally and in international market.

23. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

24. Corporate proposals

There are no corporate proposals announced but not completed as at the date of issue of these financial statements.

25. 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 2016.

26. 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.

27. Changes in Material Litigation

There are no changes to any material litigation since the last audited financial statement for the financial year ended 31 December 2015

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016
SELECTED EXPLANATORY NOTES

28. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 December 2016 and 31 December 2015 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No. 1 : Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	31.12.2016	31.12.2015
	RM'000	RM'000
Total retained profits of the Group :		
Realised	42,181	50,968
Unrealised	2,611	5,106
	<u>44,792</u>	<u>56,074</u>
Add/(less) : Consolidation adjustments	(21,980)	(25,013)
Total Group's retained profits as per consolidated accounts	<u>22,812</u>	<u>31,061</u>

29. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 was not qualified.

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

Shah Alam