

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2017
(The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|--|--|
| | Current Quarter 31.03.2017 RM'000 | Corresponding Quarter 31.03.2016 RM'000 | Current Year To Date 31.03.2017 RM'000 | Corresponding Period 31.03.2016 RM'000 |
| Revenue | 23,796 | 20,051 | 23,796 | 20,051 |
| Cost of sales | (4,215) | (5,004) | (4,215) | (5,004) |
| Gross profit | 19,580 | 15,047 | 19,580 | 15,047 |
| Profit income | 162 | 121 | 162 | 121 |
| Other income | 385 | 150 | 385 | 150 |
| Staff costs | (6,719) | (6,414) | (6,719) | (6,414) |
| Depreciation and amortisation | (1,914) | (1,688) | (1,914) | (1,688) |
| Other operating expenses | (4,632) | (6,958) | (4,632) | (6,958) |
| Profit from operations | 6,863 | 258 | 6,863 | 258 |
| Finance costs | (334) | (209) | (334) | (209) |
| Profit before tax | 6,529 | 49 | 6,529 | 49 |
| Income tax expense | (2,214) | (1,521) | (2,214) | (1,521) |
| Profit/(Loss) net of tax | 4,315 | (1,472) | 4,315 | (1,472) |
| Other comprehensive income: | | | | |
| Foreign currency translation | 381 | 443 | 381 | 443 |
| | 381 | 443 | 381 | 443 |
| Other comprehensive income attributable to: | | | | |
| Total comprehensive income/(loss) for the period | 4,696 | (1,030) | 4,696 | (1,030) |
| Profit/(Loss) attributable to: | | | | |
| Owners of the parent | 1,775 | (2,796) | 1,775 | (2,796) |
| Minority interest | 2,540 | 1,323 | 2,540 | 1,323 |
| | 4,315 | (1,472) | 4,315 | (1,472) |
| Total comprehensive income/(loss) attributable to : | | | | |
| Owners of the parent | 2,156 | (1,978) | 2,155 | (1,978) |
| Minority interest | 2,540 | 948 | 2,540 | 948 |
| | 4,697 | (1,030) | 4,696 | (1,030) |
| Deficit per share attributable to equity holders of the parent | | | | |
| Basic deficit per share (sen) * | 0.27 | (0.42) | 0.27 | (0.42) |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017
(The figures have not been audited)

| | Unaudited 31.03.2017 RM'000 | Audited 31.12.2016 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 43,943 | 45,071 |
| Investment properties | 38,426 | 38,599 |
| Prepaid lease payment | 1,043 | 1,054 |
| Intangible assets | 861 | 861 |
| Deferred tax assets | - | |
| | <u>84,273</u> | <u>85,585</u> |
| Current assets | | |
| Inventories | 506 | 631 |
| Trade and other receivables | 38,392 | 34,087 |
| Investment in unit trusts | 10,435 | 14,999 |
| Cash and cash equivalents | 32,714 | 30,446 |
| | <u>82,046</u> | <u>80,163</u> |
| TOTAL ASSETS | <u>166,319</u> | <u>165,748</u> |
| 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) | (190) |
| Other reserves | 698 | 318 |
| Retained earnings | 23,917 | 22,142 |
| | <u>90,396</u> | <u>88,240</u> |
| Non Controlling Interest | 28,810 | 26,270 |
| Total equity | <u>119,206</u> | <u>114,510</u> |
| Non-current liabilities | | |
| Retirement benefits obligation | 1,644 | 1,616 |
| Deferred tax liabilities | 2,703 | 2,703 |
| | <u>4,347</u> | <u>4,319</u> |
| Current liabilities | | |
| Trade and other payables | 17,970 | 24,715 |
| Short term borrowings | 23,830 | 21,218 |
| Tax payable | 966 | 986 |
| | <u>42,766</u> | <u>46,919</u> |
| Total Liabilities | <u>47,113</u> | <u>51,238</u> |
| TOTAL EQUITY AND LIABILITIES | <u>166,319</u> | <u>165,748</u> |
| Net assets per share attributable to equity holders of the parent (RM) | <u>0.14</u> | <u>0.13</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 2016 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 FIRST QUARTER ENDED 31 MARCH 2017
(The figures have not been audited)

| | ← Attributable to owners of the company → | | | | | | | Non controlling Interest RM'000 | Total Equity RM'000 |
|--|---|----------------------------|------------------------------|-----------------------------|-------------------------------|----------------|-----------------|--|---------------------------|
| | ← Non Distributable → | | | | Distributable | | Total RM'000 | | |
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | Other Reserves RM'000 | Retained Profits RM'000 | | | | |
| At 1 January 2016 | 65,800 | 170 | - | (451) | 45,547 | 111,066 | 24,084 | 135,150 | |
| Total comprehensive (loss)/income for the period | - | - | - | 339 | 2,495 | 2,834 | 1,598 | 4,432 | |
| At 31 March 2016 | 65,800 | 170 | - | (112) | 48,042 | 113,900 | 25,682 | 139,582 | |
| At 1 January 2017 | 65,800 | 170 | (190) | 318 | 22,142 | 88,240 | 26,270 | 114,510 | |
| Total comprehensive (loss)/income for the period | - | - | - | 380 | 1,775 | 2,155 | 2,540 | 4,697 | |
| At 31 March 2017 | 65,800 | 170 | (190) | 698 | 23,917 | 90,395 | 28,810 | 119,206 | |

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 2016.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2017
(The figures have not been audited)

| | Cumulative Current Year Quarter 31.03.2017 RM'000 | Cumulative Preceding Year Period 31.03.2016 RM'000 |
|---|--|---|
| Cash flows from operating activities | | |
| Profit before taxation | 6,529 | 49 |
| Adjustments for : | | |
| Depreciation | 1,889 | 2,003 |
| Amortization of prepaid lease rental | 25 | 6 |
| Provision for retirement benefits obligation | 28 | 3 |
| Loss/(Gain) on disposal of property, plant & equipment; net | 13 | (11) |
| Provision for doubtful debts | 20 | 2,768 |
| Net unrealized foreign exchanges gain | (536) | - |
| Finance cost | 334 | 209 |
| Profit income from deposits | (67) | (50) |
| Dividend from unit trust | (95) | (96) |
| Operating profit before working capital changes | <u>8,140</u> | <u>4,881</u> |
| Working capital changes : | | |
| (Increase)/Decrease in receivable | (4,563) | 6,585 |
| Decrease in inventories and work-in-progress | 125 | 156 |
| Increase in payables | (5,165) | (4,093) |
| Cash generated from operations | <u>(1,463)</u> | <u>7,529</u> |
| Finance cost paid | (334) | (209) |
| Tax paid | (1,528) | (1,366) |
| Net cash generated from operating activities | <u>(3,325)</u> | <u>5,954</u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant & equipment | 13 | 11 |
| Withdrawal/(Placement) of unit trust | 4,564 | (2,585) |
| Purchase of property, plant & equipment | (601) | (2,327) |
| Purchase of investment property | - | (14) |
| Profit received from deposits | 67 | 50 |
| Dividend in unit trust | 95 | 96 |
| Net cash used in investing activities | <u>4,138</u> | <u>(4,769)</u> |
| Cash flows from financing activities | | |
| Drawdown of borrowings | 451 | - |
| Purchase of treasury shares | - | (32) |
| Dividend to non-controlling interest | (1,159) | - |
| Net cash used in financing activities | <u>(708)</u> | <u>(32)</u> |
| Net decrease in cash and cash equivalents | 105 | 1,153 |
| Cash and cash equivalents at 1 January 2017/2016 | 3,991 | 12,193 |
| Cash and cash equivalents at 31 March 2017/2016 | <u>4,096</u> | <u>13,346</u> |
| Cash and cash equivalents : | | |
| Cash and bank balances | 32,714 | 35,947 |
| Overdraft | (21,705) | (15,288) |
| | <u>11,008</u> | <u>20,659</u> |
| Less: Restricted deposits | (6,912) | (7,313) |
| | <u>4,096</u> | <u>13,346</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 2016 and the accompanying explanatory notes attached to the financial statements.

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

FOR THE FIRST QUARTER ENDED 31 MARCH 2017
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 8 May 2017

2. Basis of preparation

The consolidated condensed interim financial information for the 3 months ended 31 March 2017 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 2016, 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 2017.

| | |
|---|---|
| | Annual Improvements to MFRSS 2012-2014 Cycle |
| Amendments to MFRS 5, MFRS7, MFRS 119, MFRS 134 | |
| 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 authorization 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

| MRFSSs 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 1 January 2018 |
| Amendments to MFRS 2: Share-based Payment: Classification and Measurement | |
| Amendments to MFRS 10, MFRS128 : Sales or contribution of Assets between Investor and its Associate and Joint Venture | Deferred |
| | 1 January 2017 |
| Amendments to MFRS 107: Statement of Cash Flows: Disclosure Initiative | |
| | 1 January 2017 |
| Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealized loss | |

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016.

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE FIRST QUARTER ENDED 31 MARCH 2017
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 March 2017

6. Segment information

31 March 2017

| | Environmental Consulting & Engineering Services | Laboratory Testing Services | Waste Management Engineering | Others* | Elimination | Cumulative Quarter ended 31.03.2017 |
|------------------------|--|--|---|----------------|--------------------|--|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | | | |
| External revenue | 8,644 | 12,395 | 1,971 | 786 | - | 23,796 |
| Inter- segment revenue | 79 | 1,010 | 71 | 118 | (1,279) | - |
| Total revenue | 8,724 | 13,406 | 2,042 | 904 | (1,279) | 23,796 |

Segment Results

| | | | | | | |
|--|-------|-------|------|---------|------|--------------|
| Segment profit/(loss) from operations | 1,634 | 6,970 | (39) | (1,662) | (41) | 6,863 |
| Finance cost | | | | | | (334) |
| Income tax expense | | | | | | (2,214) |
| Profit net of tax | | | | | | 4,315 |
| Non-controlling interest | | | | | | (2,540) |
| Net loss for the period | | | | | | 1,775 |

31 March 2016

| | Environmental Consulting & Engineering Services | Laboratory Testing Services | Waste Management Engineering | Others* | Elimination | Cumulative Quarter ended 31.03.2016 |
|------------------------|--|--|---|----------------|--------------------|--|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | | | |
| External revenue | 8,713 | 10,100 | 249 | 989 | - | 20,051 |
| Inter- segment revenue | 130 | 846 | | - | (976) | - |
| Total revenue | 8,843 | 10,946 | 249 | 989 | (976) | 20,051 |

Segment Results

| | | | | | | |
|--|-----|-------|-------|---------|-------|----------------|
| Segment profit/(loss) from operations | 140 | 3,446 | (419) | (2,498) | (411) | 258 |
| Financing cost | | | | | | (209) |
| Income tax expense | | | | | | (1,521) |
| Loss net of tax | | | | | | (1,472) |
| Non-controlling interest | | | | | | (1,323) |
| Net loss for the period | | | | | | (2,795) |

* 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.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2017
SELECTED EXPLANATORY NOTES

6. Segment information (cont'd)

The Group is organized 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 37% from the total Group's revenue. The profit from operation has increased during the period ended as compared to the preceding quarter ended 31 March 2016 attributable from operational improvements for Saudi Arabia operations .

Laboratory testing

Laboratory testing segment contributed 52% of the total Group's revenue. The segment revenue and profit from operation shows an increased by 23% and 102% respectively as compared to the preceding quarter ended 31 March 2016 mainly due to higher sales from lab operations in Indonesia.

Waste management engineering

Waste management engineering segment has shown improvement in revenue during the period ended as compared to the preceding quarter ended 31 March 2017 due to higher project revenue conversion. However, the revenue is marginally low and insufficient to cover the fixed costs.

Consolidated profit for the year

For the period ended 31 March 2017, the Group's PATAMI was RM1.8 million as compared to loss of RM2.8 million in preceding quarter ended 31 March 2016. The profit were attributed from high performance of ALS Indonesia and operational improvements for Saudi Arabia operations.

7. Seasonality or cyclicity

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

8. Profit before taxation

| | Individual quarter | | Cumulative quarter | |
|---|---------------------------|-------------------|---------------------------|-------------------|
| | 3 months ended | | 3 months ended | |
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit/(loss) before taxation is arrived at after charging/(crediting): | | | | |
| Foreign exchange currency (gained)/losses | 487 | 3,376 | 487 | 3,376 |

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FOR THE FIRST QUARTER ENDED 31 MARCH 2017
SELECTED EXPLANATORY NOTES

9. Income tax expense

| | Individual quarter | | Cumulative quarter | |
|-----------------------|--------------------|--------------|--------------------|--------------|
| | 3 months ended | | 3 months ended | |
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax : | | | | |
| - Malaysia Income Tax | 1,656 | 1,365 | 1,656 | 1,365 |
| - Foreign Tax | 558 | 156 | 558 | 156 |
| - Deferred Tax | | | | |
| Tax expense | <u>2,214</u> | <u>1,521</u> | <u>2,214</u> | <u>1,521</u> |

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 | | 3 months ended | |
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| Profit/(loss) for the period (RM'000) | <u>1,775</u> | <u>(2,796)</u> | <u>1,775</u> | <u>(2,796)</u> |
| Number of ordinary shares in issue ('000) | <u>656,780</u> | <u>657,973</u> | <u>656,780</u> | <u>657,973</u> |
| Basic Earnings/(deficit) Per Share (sen) | <u>0.27</u> | <u>(0.42)</u> | <u>0.27</u> | <u>(0.42)</u> |

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

| | 31.03.2017 | 31.12.2016 |
|------------------------------|---------------|---------------|
| | RM'000 | RM'000 |
| Short term borrowings | | |
| Overdraft | 21,705 | 19,544 |
| Term loan | <u>2,125</u> | <u>1,674</u> |
| | <u>23,830</u> | <u>21,218</u> |

13. Dividends

No dividend declared and shall be paid in current quarter

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FOR THE FIRST QUARTER ENDED 31 MARCH 2017
SELECTED EXPLANATORY NOTES

14. Commitments

| | 31.03.2017 | 31.12.2016 |
|-----------------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| Capital expenditure | | |
| Approved and contracted for : | | |
| Property, plant & equipment | 233 | 650 |
| Approved but not contracted for : | | |
| Property, plant & equipment | 971 | - |
| | <u>1,204</u> | <u>650</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 2016.

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

On 3 April 2017, the company announced its wholly-owned subsidiary entered into a Commercial Property Purchase Agreement to dispose a building at a consideration of SAR4,300,000, equivalent to RM5,074,941.70. At the end of the disposal exercise, it expected gains of the disposal of approximately SAR938,067, equivalent to RM1.1 million. The Purchaser is a Nationality of the Kingdom of Saudi Arabia and is the business development consultant appointed by the wholly-owned subsidiary.

The wholly-owned subsidiary received SAR3,300,000, equivalent to RM3,894,722.70 from the purchaser and the of SAR1,000,000, equivalent to RM1,180,219.00 in the form of off-set with the provision of business development consultancy services rendered by the purchaser to the wholly-owned subsidiary.

The rationale and benefit for the disposal is that the wholly-owned subsidiary has no longer use of the building. This disposal exercise will unlock its investment in the building and the proceeds will be utilized to reduce the amount owing by the wholly-owned subsidiary to the holding company. The proceeds received by the holding company is expected to be utilized for working capital over the next 12 months' period from the date of the agreement. As at to date, the company is has yet to utilize the proceeds.

This Commercial Property disposal exercise is not subject to the approval of any authorities and/or the shareholders of the company, has no any effect on the issued and paid-up capital of the holding company as well as the company's substantial shareholders' shareholding. This exercise was completed on 3 April 2017.

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 March 2017

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

Share buybacks/ Treasury shares of the Company

| | 31.03.2017 | 31.12.2016 |
|-------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| As at 1 January | 190 | 27 |
| Share buyback | - | 163 |
| As at 31 March/December | <u>190</u> | <u>190</u> |

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE FIRST QUARTER ENDED 31 MARCH 2017
SELECTED EXPLANATORY NOTES

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

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 March 2017

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 2016

28. Breakdown of realized and unrealized profits or losses

The breakdown of the retained profits of the Group as at 31 March 2017 and 31 December 2016 into realized and unrealized 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 Realized and Unrealized Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

| | 31.03.2017 | 31.12.2016 |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| Total retained profits of the Group : | | |
| Realized | 37,864 | 26,688 |
| Unrealized | 2,703 | 661 |
| | <u>40,567</u> | <u>27,349</u> |
| Add/(less) : Consolidation adjustments | <u>(16,650)</u> | <u>(5,207)</u> |
| Total Group's retained profits as per consolidated accounts | <u>23,917</u> | <u>22,142</u> |

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

FOR THE FIRST QUARTER ENDED 31 MARCH 2017
SELECTED EXPLANATORY NOTES

29. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not qualified.

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

Shah Alam