

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

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

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 31.12.2017 RM'000	Current Quarter 31.12.2016 RM'000		Current Year To Date 31.12.2017 RM'000	Current Year To Date 31.12.2016 RM'000	
Revenue	22,822	22,853	(0.00)	83,876	87,402	(0.04)
Cost of sales	(6,855)	(2,100)		(22,298)	(17,762)	
Gross profit	15,967	20,753	(0.23)	61,579	69,640	(0.12)
Profit income	78	389		675	704	
Other income	619	3,306		2,009	3,763	
Staff costs	(6,349)	(7,117)		(26,949)	(25,726)	
Depreciation and amortisation	(1,725)	(2,998)		(7,368)	(7,989)	
Other operating expenses	(2,973)	(18,041)		(15,820)	(33,128)	
Profit/ (loss) from operations	5,617	(3,708)	>1.00	14,126	7,264	0.94
Finance costs	(532)	(285)		(1,285)	(977)	
Profit/(loss) before tax	5,085	(3,994)	>1.00	12,841	6,287	>1.00
Income tax expense	(1,843)	(2,642)		(5,341)	(8,460)	
Profit/ (loss) net of tax	<u>3,242</u>	<u>(6,636)</u>	>1.00	<u>7,499</u>	<u>(2,173)</u>	>1.00
Other comprehensive income:						
Foreign currency translation	(837)	(5)		(1,969)	1,069	
Transfer at profit and loss upon disposal	-	1,545		-	1,545	
Actuarial loss on defined benefit plan	66	-		66	-	
Other comprehensive (loss)/ income attributable to:	(771)	1,540		(1,903)	2,614	
Total comprehensive income/ (loss) for the period	<u>2,471</u>	<u>(5,095)</u>	>1.00	<u>5,597</u>	<u>441</u>	>1.00
Profit/ (loss) attributable to:						
Owners of the parent	1,839	(7,688)	>1.00	997	(7,406)	>1.00
Minority interest	1,403	1,052	0.33	6,503	5,233	0.24
	<u>3,242</u>	<u>(6,636)</u>	>1.00	<u>7,499</u>	<u>(2,173)</u>	>1.00

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**(The figures have not been audited)**

<b>Owners of the parent</b>	1,480	(7,255)	>1.00	415	(6,124)	>1.00
<b>Minority interest</b>	991	2,159	(0.54)	5,182	6,565	(0.21)
	<u>2,471</u>	<u>(5,095)</u>	>1.00	<u>5,597</u>	<u>441</u>	>1.00
<b>Deficit per share attributable to equity holders of the parent</b>						
<b>Basic deficit per share (sen) *</b>	<u>0.28</u>	<u>0.09</u>		<u>0.15</u>	<u>(0.33)</u>	

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 DECEMBER 2017  
(The figures have not been audited)

	Unaudited 31.12.2017 RM'000	Audited 31.12.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,032	45,071
Investment properties	37,909	38,599
Prepaid lease payment	933	1,054
Intangible assets	861	861
Deferred tax assets	54	-
	78,790	85,585
<b>Current assets</b>		
Inventories	432	631
Trade and other receivables	36,190	34,087
Investment in unit trusts	7,407	14,999
Cash and cash equivalents	29,830	30,446
	73,858	80,163
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	65,800	65,800
Share Premium	170	170
Treasury Shares	(202)	(190)
Other reserves	(330)	318
Retained earnings	19,133	22,142
	84,572	88,240
Non Controlling Interest	26,905	26,270
Total equity	111,477	114,510
<b>Non-current liabilities</b>		
Retirement benefits obligation	1,814	1,616
Deferred tax liabilities	2,981	2,703
	4,795	4,319
<b>Current liabilities</b>		
Trade and other payables	15,938	24,715
Short term borrowings	21,754	21,218
Tax payable	(1,316)	986
	36,377	46,919
Total Liabilities	41,171	51,238
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>152,648</b>	<b>165,748</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.13	0.13

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 FOURTH QUARTER ENDED 31 DECEMBER 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		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	RM'000			
<b>At 1 January 2016</b>	65,800	170	(27)	(963)	31,061	96,041	27,448	123,489	
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	1,281	(7,407)	(6,126)	6,565	439	
<b>Transaction with owner</b>									
<b>Purchase of Treasury Shares</b>	-	-	(163)	-	-	-	-	-	
<b>Dividend paid to non-controlling interest</b>	-	-	-	-	-	-	(7,743)	(7,743)	
<b>Dividends</b>	-	-	-	-	(1,512)	(1,512)	-	(1,512)	
<b>At 31 December 2016</b>	<b>65,800</b>	<b>170</b>	<b>(190)</b>	<b>318</b>	<b>22,142</b>	<b>88,403</b>	<b>26,270</b>	<b>114,673</b>	
<b>At 1 January 2017</b>	65,800	170	(190)	318	22,142	88,240	26,270	114,510	
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	(648)	997	349	5,182	5,532	
<b>Transaction with owner</b>									
<b>Purchase of Treasury Shares</b>	-	-	(12)	-	-	(12)	-	(12)	
<b>Dividend paid to non-controlling interest</b>	-	-	-	-	-	-	(4,546)	(4,546)	
<b>Dividends</b>	-	-	-	-	(4,006)	(4,006)	-	(4,006)	
<b>At 31 December 2017</b>	<b>65,800</b>	<b>170</b>	<b>(202)</b>	<b>(330)</b>	<b>19,133</b>	<b>84,572</b>	<b>26,905</b>	<b>111,477</b>	

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

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

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

	<b>Cumulative Current Year Quarter 31.12.2017 RM'000</b>	<b>Cumulative Preceding Year Period 31.12.2016 RM'000</b>
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	12,841	6,287
<b>Adjustments for :</b>		
Depreciation	7,246	7,859
Amortisation of prepaid lease rental	122	130
Provision for retirement benefits	198	188
Gain on disposal of foreign operation	-	1,571
Gain on disposal of property, plant and equipment	(734)	(1)
Provision for doubtful debts	34	1,111
Reversal of impairment of receivable	(271)	(23)
Stock write off	-	282
Net unrealised foreign exchanges loss	938	(2,137)
Finance cost	1,285	977
Profit income from deposits	(675)	(365)
Dividend from unit trust	(237)	(338)
Impairment of Goodwill	-	10,898
Fair value (gain)/loss of other current financial assets	(145)	(39)
<b>Operating profit before working capital changes</b>	<u>20,602</u>	<u>26,400</u>
<b>Working capital changes :</b>		
(Increase)/Decrease in receivable	(1,218)	14,420
Decrease in inventories and work-in-progress	199	91
Decrease in payables	(10,338)	(11,903)
<b>Cash generated from operations</b>	<u>9,244</u>	<u>29,008</u>
<b>Finance cost paid</b>	(1,285)	(977)
<b>Tax paid</b>	(7,044)	(9,151)
<b>Net cash generated from operating activities</b>	<u>915</u>	<u>18,880</u>
<b>Cash flows from investing activities</b>		
<b>Proceed from disposal of property, plant and equipment</b>	2,763	37
<b>Withdrawal/(Placement) of unit trust</b>	7,592	(7,666)
<b>Purchase of property, plant &amp; equipment</b>	(6,247)	(9,033)
<b>Purchase of investment property</b>	-	(14)
<b>Net cash outflow from disposal of operation</b>	-	(835)
<b>Profit received from deposits</b>	675	365
<b>Dividend in unit trust</b>	237	339
<b>Movement in restricted deposits</b>	(504)	(212)
<b>Net cash used in investing activities</b>	<u>7,279</u>	<u>(17,019)</u>
<b>Cash flows from financing activities</b>		
<b>Drawdown/ (repayment) of borrowings</b>	1,142	(1,258)
<b>Purchase of treasury shares</b>	(12)	(163)
<b>Dividend paid</b>	(4,006)	(1,512)
<b>Dividend to non-controlling interest</b>	(5,330)	(7,743)
<b>Net cash used in financing activities</b>	<u>(8,205)</u>	<u>(10,676)</u>
<b>Net decrease in cash and cash equivalents</b>	(11)	(8,815)
<b>Cash and cash equivalents at 1 January 2017/2016</b>	<u>3,487</u>	<u>12,806</u>
<b>Cash and cash equivalents at 31 December 2017/2016</b>	<u>3,476</u>	<u>3,991</u>
<b>Cash and cash equivalents :</b>		
<b>Cash and bank balances</b>	29,830	30,446
<b>Overdraft</b>	(18,938)	(19,544)
	<u>10,892</u>	<u>10,902</u>
<b>Less: Restricted deposits</b>	(7,416)	(6,911)
	<u>3,476</u>	<u>3,991</u>

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**  
**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 27 February 2018.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the 12 months ended 31 December 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), 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 2016, 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 2017**

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2017.

Amendments to MFRS 107: Statement of Cash Flows: Disclosure Initiati<sup>1</sup> 1 January 2017

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unre<sup>1</sup> 1 January 2017

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.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**A3. MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (cont'd.)**

<b>MFRSs and amendments to MFRSs</b>	<b>Effective for annual period beginning on or after</b>
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
MFRS 16: Leases	1 January 2019
Amendments to MFRS 10, MFRS128 : Sales or contribution of Assets between Investor and its Associate and Joint Venture	Deferred
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

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

**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.

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

No changes in composition of group for quarter ended 31 December 2017.

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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017  
SELECTED EXPLANATORY NOTES

A6. Segment information

31 December 2017

	Environmental consultancy & monitoring <u>Services</u>	Laboratory <u>Services</u>	Wastewater treatment and Solution	Others*	Elimination	Cumulative Quarter ended <u>31.12.2017</u>
External revenue	26,769	48,020	6,208	2,879	-	83,876
Inter- segment revenue	150	2,288	283	7,945	(10,666)	-
<b>Total revenue</b>	<b>26,919</b>	<b>50,308</b>	<b>6,491</b>	<b>10,824</b>	<b>(10,666)</b>	<b>83,876</b>

**Segment Results**

Segment profit/(loss)						
from operations	(296)	20,217	1,717	6,341	(13,854)	14,126
Finance cost						(1,285)
Income tax expense						(5,341)
<b>Profit net of tax</b>						<b>7,499</b>
Non-controlling interest						(6,503)
<b>Net profit for the period</b>						<b>997</b>

31 December 2016

	Environmental consultancy & monitoring <u>Services</u>	Laboratory <u>Services</u>	Wastewater treatment and Solution	Others*	Elimination	Cumulative Quarter ended <u>31.12.2016</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	42,364	38,799	2,759	3,478		87,400
Inter- segment revenue	-	3,811	369	16,906	(21,086)	-
<b>Total revenue</b>	<b>42,364</b>	<b>42,610</b>	<b>3,128</b>	<b>20,384</b>	<b>(21,086)</b>	<b>87,400</b>

**Segment Results**

Segment profit/(loss)						
from operations	5,640	17,443	(1,339)	(7,054)	(7,426)	7,264
Financing cost						(977)
Income tax expense						(8,460)
<b>Profit net of tax</b>						<b>(2,173)</b>
Non-controlling interest						(5,233)
<b>Net profit for the period</b>						<b>(7,406)</b>

\* The segment denoted as "others" includes the results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries which are in the investment holding and investment property business.

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



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**SELECTED EXPLANATORY NOTES**

**A7. Seasonality or cyclicity**

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

**A8. Profit/ (loss) before taxation**

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Profit/ (loss) before taxation is arrived at after charging/(crediting):	717	(3,771)	938	(2,137)
Unrealised Foreign exchange currency losses/(gained)				
Gain on disposal of property	(995)	-	(995)	(1)

**A9. Income tax expense**

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Current tax :				
- Malaysia Income Tax	1,295	305	3,537	6,703
- Foreign Tax	607	103	1,574	1,308
- Deferred Tax	(59)	2,234	230	449
Tax expense	1,843	2,642	5,341	8,460
Effective tax rate			42%	135%

The effective tax rate for the current quarter under review is higher than the current statutory income tax rate of 24% due to lower Group's PBT as a results of losses made by the subsidiary companies.

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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:

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Profit/(loss) for the period (RM'000)	1,839	(7,688)	997	(7,406)
Number of ordinary shares of RM0.10 each in issue ('000)	656,699	657,973	656,699	657,973
Basic Earnings/(deficit) Per Share (sen)	0.28	(1.17)	0.15	(1.13)

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. Borrowings**

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Overdraft	18,938	19,544
Term loan	2,816	1,674
	<u>21,754</u>	<u>21,218</u>

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

**A13. Trade receivables**

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade and Other receivable	36,190	34,087

As at 31 December, the trade receivable has increased by RM 2 million mainly due to the increase in debtors turnover days for Saudi operation.

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**SELECTED EXPLANATORY NOTES**

**A14. Dividends**

At the forthcoming Annual General meeting , a final net dividend of 0.50 sen in respect of financial year ended 31 December 2017 amounting to dividend payable of RM3,283,045 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 2018.

**A15. Commitments**

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	6,247	9,033
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>6,247</u>	<u>9,033</u>

**A16. 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.

**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 2017.

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

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

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	190	27
Share buyback	12	163
As at 31 December	<u>202</u>	<u>190</u>

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**SELECTED EXPLANATORY NOTES**

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

**B1 Performance review**

	Current Year	Preceding year corresponding		
	To Date	period	Changes	Changes
	31.12.2017	31.12.2016	Amount	+ / (-)
	RM'000	RM'000	RM'000	
<b>Revenue</b>				
Environmental consultancy and monitoring services	26,919	42,364	(15,445)	(0.36)
Laboratory services	50,308	42,610	7,698	0.18
Wastewater treatment and solution	6,491	3,128	3,363	>1.00
Corporate holding and elimination	158	(702)	860	>1.00
	83,876	87,402	(3,526)	(0.04)
<b>Segment results</b>				
Environmental consultancy and monitoring services	(296)	5,640	(5,936)	>(1.00)
Laboratory services	20,217	17,443	2,774	0.16
Wastewater treatment and solution	1,717	(1,339)	3,056	>1.00
Corporate holding and elimination	(7,513)	(14,480)	6,967	0.48
Profit from operations	14,126	7,265	6,861	0.94
Finance charges	(1,285)	(977)	(308)	(0.32)
Profit before tax	12,841	6,288	6,553	>1.00
Tax Expense	(5,341)	(8,460)	3,119	0.37
Profit/ (loss) net of tax	7,499	(2,173)	9,672	(4.45)
Non Controlling interest	(6,503)	(5,233)	(1,270)	(0.24)
Profit/ (loss) attributable to owners of the company	997	(7,406)	8,402	>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 and monitoring services segment - providing environmental related services.
- (b) The laboratory services segment - chemical testing, consultancy service and other services of similar nature.
- (c) The Wastewater treatment and solution segment - provision of waste water treatment solution system.

## **B1 Performance review**

### **1.2 Group and Segments Analysis**

#### **Group Analysis:**

Group revenue dropped by 4% in 2017 as compared to 2016 due to lower revenue from the environmental consulting and monitoring services. Overall profit before tax was higher in the 2017 as a results of lower corporate cost by 48% as compared to 2016.

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

#### **a) Environmental consultancy and monitoring services**

Environmental consultancy and monitoring services segment revenue contributed 32% of the total Group revenue.

For the financial year ended 31 December 2017, this segment registered a loss of RM 0.2 million due to lower revenue from the Malaysian operation coupled with preincorporation expenses of the newly formed joint venture in Saudi Arabia.

### **1.1 Segments Background:**

#### **b) Laboratory services**

Revenue from the laboratory segment contributed 60% of the total Group revenue which is higher than the previous year.

We foresee potential growth in this segment with the recent appointment of ALS Technichem (M) Sdn Bhd as one of the Jakim Halal Testing Panel laboratories.

#### **c) Wastewater treatment and solution**

Wastewater treatment and solution segment revenue contributed 8% from the total Group revenue.

Going forward, the Group will continue to promote SDO-Bio Act, a green waste water treatment technology, in Saudi. This strategy is consistent the country's vision 2030 to be a vibrant society, thriving economy and ambitious nation.

**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 + / (-)
	Quarter To Date 31.12.2017 RM'000	Quarter To Date 30.9.2017 RM'000		
	<b>Revenue</b>			
Environmental consultancy and monitoring services	10,542	3,541	7,001	>1.00
Laboratory services	12,775	12,042	734	0.06
Wastewater treatment and solution	(375)	2,827	(3,202)	>(1.00)
Others	6,370	773	5,597	>1.00
Corporate elimination	(6,491)	(457)	(6,034)	>(1.00)
	<u>22,822</u>	<u>18,726</u>		0.22
<b>Segment results</b>				
Environmental consultancy and monitoring services	2,462	(3,053)	5,515	>1.00
Laboratory services	5,069	4,189	880	0.21
Wastewater treatment and solution	909	734	174	0.24
Others	3,947	(1,127)	5,074	>1.00
Corporate elimination	(6,768)	(213)	(6,555)	>(1.00)
Profit from operations	<u>5,617</u>	<u>529</u>	5,088	>1.00
Finance charges	(532)	(286)	(246)	>(1.00)
Profit before tax	<u>5,085</u>	<u>243</u>	4,842	>1.00
Tax Expense	(1,843)	(512)	(1,332)	>(1.00)
Profit net of tax	<u>3,242</u>	<u>(268)</u>	3,510	>1.00
Non Controlling interest	(1,403)	(1,311)	(92)	(0.07)
Loss/ Profit attributable to owners of the company	<u><u>1,839</u></u>	<u><u>(1,579)</u></u>	3	>1.00

**B2 Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter****1.2 Group and Segments Analysis****Group Analysis:**

Group revenue for the current quarter was higher by 22% as compared to the previous quarter. As a results, segment results for the current quarter was a PBT of RM 1.9 million as compared to loss before tax of RM 1.6 million in the previous quarter. This was mainly attributed by the higher revenue earned from the environmental consultancy and monitoring services.

**B2****Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (cont'd)****1.2 Group and Segments Analysis (cont'd.)**

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

**a) Environmental consultancy and monitoring services**

The segment has turned around from a loss of RM3 million in the previous quarter to a profit of RM 2.5 million in the current quarter. This was due to higher revenue earned from environmental consultancy and monitoring services from projects secured during the final quarter of 2017.

**b) Laboratory services**

Profit before tax from the segment increased by 19% compared to preceding quarter resulted from increase of revenue in Malaysia operation.

**c) Wastewater treatment and solution**

Current quarter recorded a higher profit of RM 174k due to higher revenue earned in the current quarter.

**B3. Comment on material change in profit before taxation**

There is no material change in profit before taxation in current quarter.

**B4. Commentary on prospects**

We foresee sustainable growth in the Group performance for 2018 given the increase in the awareness among the public and private sectors towards environment preservation and conservation. For the upcoming year 2018, we shall continue to focus on the core strategies which among others are namely air quality management, water quality management, wastewater treatment and solutions, Halal and Tayyiban compliance.

**B5. Profit forecast or profit guarantee**

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

**B6. Corporate proposals**

There were no corporate proposal issued by the group for quarter ended 31 December 2017.

**B7 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 2017

**B8 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.

**B9 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.

**B10 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