

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
(The figures have not been audited)

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 31.03.2018 RM'000	Current Quarter 31.03.2017 RM'000		Current Year To Date 31.03.2018 RM'000	Current Year To Date 31.03.2017 RM'000	
Revenue	22,212	23,796	(0.07)	22,212	23,796	(0.07)
Cost of sales	(6,705)	(4,215)		(6,705)	(4,215)	
<b>Gross profit</b>	<u>15,507</u>	<u>19,581</u>	(0.21)	<u>15,507</u>	<u>19,581</u>	(0.21)
Profit income	129	111		129	111	
Other income	201	385		201	385	
Staff costs	(6,606)	(6,719)		(6,606)	(6,719)	
Depreciation and amortisation	(1,688)	(1,914)		(1,688)	(1,914)	
Other operating expenses	(3,283)	(4,663)		(3,283)	(4,663)	
<b>Profit from operations</b>	<u>4,261</u>	<u>6,781</u>	(0.37)	<u>4,261</u>	<u>6,781</u>	(0.37)
Finance costs	(226)	(252)		(226)	(252)	
<b>Profit before tax</b>	<u>4,035</u>	<u>6,529</u>	(0.38)	<u>4,035</u>	<u>6,529</u>	(0.38)
Income tax expense	(1,525)	(2,214)		(1,525)	(2,214)	
<b>Profit net of tax</b>	<u><u>2,510</u></u>	<u><u>4,315</u></u>	(0.42)	<u><u>2,510</u></u>	<u><u>4,315</u></u>	(0.42)
<b>Other comprehensive income:</b>						
Foreign currency translation	(1,086)	381		(1,086)	381	
Transfer at profit and loss upon disposal	-	-		-	-	
<b>Other comprehensive income attributable to:</b>	<u>(1,086)</u>	<u>381</u>		<u>(1,086)</u>	<u>381</u>	
<b>Total comprehensive income for the period</b>	<u><u>1,424</u></u>	<u><u>4,696</u></u>	(0.70)	<u><u>1,424</u></u>	<u><u>4,696</u></u>	(0.70)
<b>Profit attributable to:</b>						
Owners of the parent	1,380	1,775	(0.22)	1,380	1,775	(0.22)
Minority interest	1,130	2,540	(0.56)	1,130	2,540	(0.56)
	<u><u>2,510</u></u>	<u><u>4,315</u></u>	(0.42)	<u><u>2,510</u></u>	<u><u>4,315</u></u>	(0.42)

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**(The figures have not been audited)**  
**(CONT'D.)**

**Total comprehensive income**  
**attributable to :**

Owners of the parent	325	2,156	(0.85)	325	2,156	(0.85)
Minority interest	1,099	2,540	(0.57)	1,099	2,540	(0.57)
	<u>1,424</u>	<u>4,696</u>	(0.70)	<u>1,424</u>	<u>4,696</u>	(0.70)

**Earning per share attributable to equity holders of the parent**

<b>Basic earning per share (sen) *</b>	<u>0.21</u>	<u>0.27</u>	<u>0.21</u>	<u>0.27</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 2017 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 2018**  
(The figures have not been audited)

	<b>Unaudited</b> <b>31.03.2018</b> <b>RM'000</b>	<b>Audited</b> <b>31.12.2017</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,740	39,033
Investment properties	37,737	37,909
Prepaid lease payment	927	933
Intangible assets	861	861
Deferred tax assets	54	54
	<b>77,318</b>	<b>78,790</b>
<b>Current assets</b>		
Inventories	432	433
Trade and other receivables	37,411	33,336
Amount due from Customer on contract	-	2,189
Investment in unit trusts	10,440	7,407
Tax Recoverable	2,677	2,759
Cash and cash equivalents	22,159	29,829
	<b>73,119</b>	<b>75,953</b>
<b>TOTAL ASSETS</b>	<b>150,437</b>	<b>154,743</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	65,970	65,970
Treasury Shares	(212)	(202)
Other reserves	(1,384)	(330)
Retained earnings	20,522	19,142
	<b>84,897</b>	<b>84,580</b>
Non Controlling Interest	27,903	26,805
<b>Total equity</b>	<b>112,800</b>	<b>111,385</b>
<b>Non-current liabilities</b>		
Retirement benefits obligation	1,885	1,915
Deferred tax liabilities	3,246	2,980
	<b>5,131</b>	<b>4,895</b>
<b>Current liabilities</b>		
Trade and other payables	14,308	15,956
Amount due to customer on contract	389	-
Short term borrowings	16,870	21,754
Tax payable	940	753
	<b>32,506</b>	<b>38,463</b>
<b>Total Liabilities</b>	<b>37,637</b>	<b>43,358</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>150,437</b>	<b>154,743</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>0.13</b>	<b>0.13</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 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 2018**  
**(The figures have not been audited)**

	← Attributable to owners of the company →				Distributable Retained Profits RM'000	Total RM'000	Non controlling Interest RM'000	Total Equity RM'000
	← Non Distributable →							
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000				
<b>At 1 January 2017</b>	65,800	170	(190)	318	22,142	88,240	26,270	114,510
Total comprehensive income for the period	-	-	-	380	1,775	2,155	2,540	4,695
<b>At 31 March 2017</b>	<b>65,800</b>	<b>170</b>	<b>(190)</b>	<b>698</b>	<b>23,917</b>	<b>90,395</b>	<b>28,810</b>	<b>119,205</b>
<b>At 1 January 2018</b>	65,970	-	(202)	(329)	19,142	84,581	26,804	111,385
Total comprehensive (loss)/income for the period	-	-	-	(1,055)	1,380	325	1,099	1,425
Purchase of treasury shares	-	-	(10)	-	-	(10)	-	(10)
<b>At 31 March 2018</b>	<b>65,970</b>	<b>-</b>	<b>(212)</b>	<b>(1,384)</b>	<b>20,522</b>	<b>84,897</b>	<b>27,903</b>	<b>112,800</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 2017.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**(The figures have not been audited)**

	<b>Cumulative Current Year Quarter 31.03.2018 RM'000</b>	<b>Cumulative Preceding Year Period 31.03.2017 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	4,035	6,529
<b>Adjustments for :</b>		
Depreciation	1,681	1,889
Gain on disposal of property, plant and equipment	7	13
Amortisation of prepaid lease rental	6	25
Provision for retirement benefits	33	28
Provision for doubtful debts	-	20
Reversal of impairment of receivable	(16)	-
Net unrealised foreign exchanges loss	76	(536)
Finance cost	226	252
Profit income from deposits	(96)	(16)
Dividend from unit trust	(33)	(95)
<b>Operating profit before working capital changes</b>	<u>5,920</u>	<u>8,109</u>
Working capital changes :		
Increase in receivable	(1,194)	(4,563)
Decrease in inventories and work-in-progress	1	125
Decrease in payables	<u>(1,964)</u>	<u>(5,133)</u>
<b>Cash generated from operations</b>	2,762	(1,462)
Finance cost paid	(226)	(334)
Tax paid	<u>(1,437)</u>	<u>(1,528)</u>
<b>Net cash generated from operating activities</b>	<u>1,099</u>	<u>(3,324)</u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant and equipment	-	13
(Placement)/Withdrawal of unit trust	(3,033)	4,564
Purchase of property, plant & equipment	(974)	(601)
Profit received from deposits	96	67
Dividend in unit trust	33	95
<b>Net cash used in investing activities</b>	<u>(3,878)</u>	<u>4,138</u>
<b>Cash flows from financing activities</b>		
(Repayment)/Drawdown of borrowings	(2,404)	451
Purchase of treasury shares	(10)	-
Dividend to non-controlling interest	-	(1,159)
<b>Net cash used in financing activities</b>	<u>(2,414)</u>	<u>(708)</u>
<b>Net decrease in cash and cash equivalents</b>	(5,192)	106
<b>Cash and cash equivalents at 1 January 2018/2017</b>	3,477	3,991
<b>Cash and cash equivalents at 31 March 2018/2017</b>	<u>(1,715)</u>	<u>4,097</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**(The figures have not been audited)**  
**(CONT'D)**

**Cash and cash equivalents :**

Cash and bank balances	22,159	32,714
Overdraft	<u>(16,458)</u>	<u>(21,705)</u>
	5,701	11,009
Less: Restricted deposits	<u>(7,416)</u>	<u>(6,912)</u>
	<u><u>(1,715)</u></u>	<u><u>4,097</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 2017 and the accompanying explanatory notes attached to the financial statements.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**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 4 May 2018.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the 3 months ended 31 March 2018 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 2017, 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 2018**

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2018.

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
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2018

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.

<b>MFRSs and amendments to MFRSs</b>	<b>Effective for annual period beginning on or after</b>
MFRS 16: Leases	1 January 2019
MFRS17: Insurance Contract	1 January 2021
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendment to MFRS 128: Long term Interests in Associate and Joint Ventures	1 January 2019
Amendments to MFRS 10, MFRS 128 : Sales or Contribution of Assets between Investor and its Associate and Joint Venture	Deferred
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 2017.

**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.

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**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**SELECTED EXPLANATORY NOTES**

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

No changes in composition of group for quarter ended 31 March 2018.

**A6. Segment information**

<u>31 March 2018</u>	<u>Environmental consultancy &amp; monitoring Services</u>	<u>Laboratory Services</u>	<u>Wastewater treatment and Solution</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter ended 31.03.2018</u>
External revenue	7,799	13,088	617	708	-	22,212
Inter- segment revenue	-	451	414	119	(984)	-
<b>Total revenue</b>	<b>7,799</b>	<b>13,539</b>	<b>1,031</b>	<b>827</b>	<b>(984)</b>	<b>22,212</b>

**Segment Results**

Segment profit/(loss) from operations	(744)	6,163	168	(1,260)	(65)	4,261
Finance cost						(226)
Income tax expense						(1,525)
<b>Profit net of tax</b>						<b>2,510</b>
Non-controlling interest						(1,130)
<b>Net profit for the period</b>						<b>1,380</b>

<u>31 March 2017</u>	<u>Environmental consultancy &amp; monitoring Services</u>	<u>Laboratory Services</u>	<u>Wastewater treatment and Solution</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter ended 31.03.2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Segment Revenue</b>						
External revenue	8,644	12,395	1,971	786	-	23,796
Inter- segment revenue	79	1,010	71	118	(1,278)	-
<b>Total revenue</b>	<b>8,723</b>	<b>13,405</b>	<b>2,042</b>	<b>904</b>	<b>(1,278)</b>	<b>23,796</b>

**Segment Results**

Segment profit/(loss) from operations	1,634	6,970	(39)	(1,662)	(122)	6,781
Financing cost						(252)
Income tax expense						(2,214)
<b>Profit net of tax</b>						<b>4,315</b>
Non-controlling interest						(2,540)
<b>Net profit for the period</b>						<b>1,775</b>

\* The segment denoted as "others" includes the revenue and results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries does not fall under the segments Environmental, Consultancy, and Monitoring Services, Laboratory Services, Wastewater Treatment and Solution.

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



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**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**SELECTED EXPLANATORY NOTES**

**A7. Seasonality or cyclicality**

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

**A8. Profit before taxation**

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Provision for doubtful debts	-	20	-	20
Reversal of Provision for doubtful debt	(16)	-	(16)	-
Unrealised Foreign exchange currency losses/(gained)	76	(536)	76	(536)
Gain on disposal of property	7	-	7	-

**A9. Income tax expense**

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Current tax :				
- Malaysia Income Tax	1,004	1,656	1,004	1,656
- Foreign Tax	487	558	487	558
- Deferred Tax	35	-	35	-
Tax expense	1,525	2,214	1,525	2,214
Effective tax rate			38%	34%

The effective tax rate for the current quarter under review is higher than the statutory income tax rate of 24% .This is due to the losses incurred by the subsidiary companies which has lowered the basis for the computation of the effective tax rate.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**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 3 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Profit for the period (RM'000)	1,380	1,775	1,380	1,775
Number of ordinary shares of RM0.10 each in issue ('000)	656,609	656,779	656,609	656,779
Basic Earnings Per Share (sen)	0.21	0.27	0.21	0.27

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**

	31.03.2018 RM'000	31.12.2017 RM'000
<b>Short term borrowings</b>		
Overdraft	16,458	18,938
Term loan	412	2,816
	<u>16,870</u>	<u>21,754</u>

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

**A13. Trade receivables**

	31.03.2018 RM'000	31.12.2017 RM'000
Trade and Other receivable	37,411	35,525

**A14. Dividends**

No dividend declared and shall be paid in current quarter

**A15. Commitments**

	31.03.2018 RM'000	31.12.2017 RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	974	6,247
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>974</u>	<u>6,247</u>

**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 2017.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**  
**SELECTED EXPLANATORY NOTES**

**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 March 2018.

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

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

	<b>31.03.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	202	190
Share buyback	10	12
As at 31 March/December	<u>212</u>	<u>202</u>

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

**B1. Performance review**  
**Review of Group Performance**

	Current Year To Date 31.03.2018 RM'000	Preceding year corresponding period 31.03.2017 RM'000	Changes Amount RM'000	Changes + / (-)
<b>Revenue</b>				
Environmental consultancy and monitoring services	7,799	8,723	(924)	(0.11)
Laboratory services	13,539	13,405	134	0.01
Wastewater treatment and solution	1,031	2,042	(1,011)	(0.49)
Corporate holding and elimination	(158)	(374)	216	(0.58)
	22,212	23,796	(1,584)	(0.07)
<b>Segment results</b>				
Environmental consultancy and monitoring services	(744)	1,637	(2,381)	>(1.00)
Laboratory services	6,163	6,970	(807)	(0.12)
Wastewater treatment and solution	168	(39)	207	>1.00
Corporate holding and elimination	(1,325)	(1,787)	459	0.26
Profit from operations	4,261	6,781	(2,520)	(0.37)
Finance charges	(226)	(252)	26	0.10
Profit before tax	4,035	6,529	(2,494)	(0.38)
Tax Expense	(1,525)	(2,214)	689	0.31
Profit net of tax	2,510	4,315	(1,805)	(0.42)
Non Controlling interest	(1,130)	(2,540)	1,410	0.56
Profit attributable to owners of the company	1,380	1,775	(395)	0.22

**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 includes the provision of environmental related services in air, water and others.
- (b) The laboratory services segment includes the provision of chemical testing, analysis and consultancy service.
- (c) The Wastewater treatment and solution segment includes the provision of waste water treatment solution system called Bi-Act SDO.

**1.2 Group and Segments Analysis**

**Group Analysis:**

For the quarter ended 31 March 2018, the Group reported a revenue and pre- tax profit of RM 22.2 million and RM 4 million respectively which is lower than the preceding year corresponding quarter of RM 23.8 million and RM 6.8 million respectively.

The drop in pre-tax profit is mainly attributed by the delays in securing major projects targeted for the quarter.

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 33% from the total Group Revenue.

The segment revenue is much lower than the preceding year corresponding quarter due to delay in securing projects in the Malaysian and Saudi operations. To date, this segment registered a loss from operation amounted to RM 0.7 million.

On positive note, the segment revenue and profit are expected to improve as a result of new project secured by its Saudi Operation during the quarter worth SAR18 million. This project is expected to kick off in Quarter 2, 2018 and it will contribute to higher revenue and earning in that quarter onwards.

Furthermore, the preceding year corresponding quarter still benefitted from the concession revenue which ended during that quarter.

## B1. Review of Group Performance

### 1.1 Segments Background:

#### b) Laboratory services

Laboratory services segment revenue contributed 63% from the total Group Revenue.

The 12% drop in the revenue segment for the current quarter is mainly due to the one-off surge in the revenue of its Indonesian operation in the preceding year corresponding quarter. This revenue secured was from one of its oil and gas clients.

#### c) Wastewater treatment and solution

Wastewater treatment and solution segment revenue contributed 5% of the total Group Revenue. Wastewater treatment and solution showed an improved profit to the preceding year corresponding period ended 31 March 2017 due to profit from a project to install Bi-Act SDO solution in Southern Region.

## 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 31.03.2018 RM'000	Quarter To Date 31.12.2017 RM'000		
	<b>Revenue</b>			
Environmental consultancy and monitoring services	7,799	7,595	204	0.03
Laboratory services	13,539	12,775	764	0.06
Wastewater treatment and solution	1,031	2,572	(1,541)	(0.60)
Corporate holding and elimination	(158)	(121)	(37)	0.30
	<u>22,212</u>	<u>22,822</u>		(0.03)
<b>Segment results</b>				
Environmental consultancy and monitoring services	(744)	2,462	(3,206)	>(1.00)
Laboratory services	6,163	5,069	1,094	0.22
Wastewater treatment and solution	168	909	(741)	(0.82)
Corporate holding and elimination	(1,325)	(2,841)	1,516	(0.53)
Profit from operations	<u>4,261</u>	<u>5,598</u>	(1,337)	(0.24)
Finance charges	(226)	(530)	303	(0.57)
Profit before tax	<u>4,035</u>	<u>5,068</u>	(1,034)	(0.20)
Tax Expense	(1,525)	(1,817)	292	(0.16)
Profit net of tax	<u>2,510</u>	<u>3,251</u>	(742)	(0.23)
Non Controlling interest	(1,130)	(1,403)		(0.19)
Profit attributable to owners of the company	<u>1,380</u>	<u>1,849</u>	(0)	(0.25)

### 1.2 Group and Segments Analysis

#### Group Analysis:

For the quarter ended 31 March 2018, the Group reported a revenue and pre-tax profit of RM 22.2 million and RM 4 million respectively which is lower than preceding quarter of RM 22.8 million and RM 5.1 million respectively.

The drop in both revenue and pre-tax profit is mainly attributed by the delays in securing major projects targeted for the quarter.

## **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 reported a loss from operation amounted to RM 0.7 million as compared to profit of RM2.5 million in preceding quarter. Lower revenue and earnings were due to delays in securing orders in Quarter 1, 2018.

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

Laboratory services segment reported a higher revenue and profit from operation for preceding quarter ended 31 December 2017 by 6% and 22% respectively. Higher provision made in preceding period related to salary related expenses, forex and subcontracting cost has resulted to lower profit from operation for the current quarter.

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

The segment profit for the current quarter recorded a lower profit of RM 168k as compared to RM 909k in the preceding quarter due to lower revenue recognised for quarter ended 31 March 2018 for projects which are at the tail-end of the completion.

## **B3. Commentary on prospects**

The group shall continue to explore new opportunities by deploying its resources effectively and efficiently and leveraging on its main products and services in the business areas of environmental management solutions and lab testing services both locally and internationally.

The Board is still of the opinion that environmental and food safety regulation are still the main driver for the business. Given, the domestic and global market and political uncertainties, the Board is of the view that the prospect for the financial year ending 31 December 2018 remain challenging.

Barring any unforeseen circumstances, the Board is of the opinion that the prospect for the financial year ending 31 December 2017 is challenging in securing strategic projects locally and in international market.

## **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 March 2018.

## **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 March 2018.

## **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**

At the case management held on 26 April 2018, the Court granted ASMA and Oval Engineering an extension of time to submit the bundle of documents before the next case management which has been fixed on 21 May 2018.

Based on the information or details available, the solicitor of ASMA was of the opinion that ASMA has strong and plausible defence to resist the claim. In the worst case scenario, the potential exposure is RM2.3 million plus any other damages to be assessed by the Court.

## **B9. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not qualified.

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

Shah Alam