

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**  
(The figures have not been audited)

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 30.09.2018 RM'000	Previous Quarter 30.09.2017 RM'000		Current Year To Date 30.09.2018 RM'000	Previous Year To Date 30.09.2017 RM'000	
Revenue	19,470	18,726	0.04	62,089	61,054	0.02
Cost of sales	(6,515)	(5,771)		(18,752)	(15,443)	
<b>Gross profit</b>	<b>12,955</b>	<b>12,955</b>	-	<b>43,337</b>	<b>45,611</b>	<b>(0.05)</b>
Profit income	203	351		514	597	
Other income	149	(81)		573	1,390	
Staff costs	(7,027)	(6,952)		(20,465)	(20,601)	
Depreciation and amortisation	(1,856)	(1,792)		(5,197)	(5,643)	
Other operating expenses	(2,287)	(3,958)		(8,884)	(12,847)	
<b>Profit from operations</b>	<b>2,137</b>	<b>523</b>	<b>3.09</b>	<b>9,878</b>	<b>8,507</b>	<b>0.16</b>
Finance costs	(359)	(286)		(814)	(753)	
<b>Profit before tax</b>	<b>1,778</b>	<b>237</b>	<b>6.50</b>	<b>9,064</b>	<b>7,754</b>	<b>0.17</b>
Income tax expense	(1,088)	(512)		(3,575)	(3,498)	
<b>Profit net of tax</b>	<b>690</b>	<b>(275)</b>	<b>(3.51)</b>	<b>5,489</b>	<b>4,256</b>	<b>0.29</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	(1,076)	(1,499)		(1,831)	(1,132)	
Transfer at profit and loss upon disposal	-	-		-	-	
<b>Other comprehensive income attributable to:</b>	<b>(1,076)</b>	<b>(1,499)</b>		<b>(1,831)</b>	<b>(1,132)</b>	
<b>Total comprehensive income for the period</b>	<b>(386)</b>	<b>(1,774)</b>	<b>(0.78)</b>	<b>3,658</b>	<b>3,124</b>	<b>0.17</b>
<b>Profit attributable to:</b>						
Owners of the parent	(791)	(1,586)	(0.50)	(351)	(844)	(0.58)
Minority interest	1,481	1,311	0.13	5,840	5,100	0.15
	<b>690</b>	<b>(275)</b>	<b>(3.51)</b>	<b>5,489</b>	<b>4,256</b>	<b>0.29</b>

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 (Company No. 203352-V)

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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

(CONT'D.)

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

Owners of the parent	(1,425)	(1,044)	0.36	(1,351)	(1,067)	0.27
Minority interest	1,039	(730)	(2.42)	5,009	4,191	0.20
	<u>(386)</u>	<u>(1,774)</u>	(0.78)	<u>3,658</u>	<u>3,124</u>	0.17

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

<b>Basic earning per share (sen) *</b>	<u>(0.12)</u>	<u>(0.24)</u>		<u>(0.12)</u>	<u>(0.24)</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 30 SEPTEMBER 2018**  
(The figures have not been audited)

	<b>Unaudited</b> <b>30.09.2018</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	38,929	39,033
Investment properties	37,392	37,909
Prepaid lease payment	941	933
Intangible assets	861	861
Deferred tax assets	535	54
	<u>78,658</u>	<u>78,790</u>
<b>Current assets</b>		
Inventories	358	433
Trade and other receivables	38,919	33,336
Amount due from Customer on contract	-	2,189
Investment in unit trusts	9,459	7,407
Tax Recoverable	3,243	2,759
Cash and cash equivalents	18,448	29,829
	<u>70,427</u>	<u>75,953</u>
<b>TOTAL ASSETS</b>	<u>149,085</u>	<u>154,743</u>
<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	(1,329)	(330)
Retained earnings	14,063	19,142
	<u>78,492</u>	<u>84,580</u>
Non Controlling Interest	31,813	26,805
<b>Total equity</b>	<u>110,305</u>	<u>111,385</u>
<b>Non-current liabilities</b>		
Retirement benefits obligation	1,942	1,915
Deferred tax liabilities	3,164	2,980
	<u>5,106</u>	<u>4,895</u>
<b>Current liabilities</b>		
Trade and other payables	11,330	15,956
Amount due to customer on contract	243	-
Short term borrowings	21,754	21,754
Tax payable	347	753
	<u>33,674</u>	<u>38,463</u>
<b>Total Liabilities</b>	<u>38,780</u>	<u>43,358</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>149,085</u>	<u>154,743</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>0.12</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 2017 and the accompanying explanatory notes attached to the financial statements.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**  
(The figures have not been audited)

	← Attributable to owners of the company →							
	← Non Distributable →				Distributable Retained Profits RM'000	Total RM'000	Non controlling Interest RM'000	Total Equity RM'000
	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	-	-	-	(222)	(842)	(1,064)	4,191	3,127
Dividend paid	-	-	-	-	(4,006)	(4,006)	-	(4,006)
Purchase of treasury shares	-	-	(5)	-	-	(5)	-	(5)
<b>At 30 September 2017</b>	<b>65,800</b>	<b>170</b>	<b>(195)</b>	<b>96</b>	<b>17,294</b>	<b>83,165</b>	<b>30,461</b>	<b>113,626</b>
<b>At 1 January 2018</b>	65,970	-	(202)	(329)	19,142	84,581	26,804	111,385
Total comprehensive income for the period	-	-	-	(1,000)	(351)	(1,351)	5,009	3,659
Dividend paid	-	-	-	-	(4,728)	(4,728)	-	(4,728)
Purchase of treasury shares	-	-	(10)	-	-	(10)	-	(10)
<b>At 30 September 2018</b>	<b>65,970</b>	<b>-</b>	<b>(212)</b>	<b>(1,329)</b>	<b>14,063</b>	<b>78,492</b>	<b>31,813</b>	<b>110,305</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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**  
**(The figures have not been audited)**

	<b>Cumulative Current Year Quarter 30.09.2018 RM'000</b>	<b>Cumulative Preceding Year Period 30.09.2017 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	9,064	7,755
<b>Adjustments for :</b>		
Depreciation and amortisation	5,178	5,624
Loss/(Gain) on disposal of property, plant and equipment	(26)	(1,167)
Amortisation of prepaid lease rental	19	19
Provision for retirement benefits	100	100
Provision for doubtful debts	111	29
Reversal of impairment of receivable	(185)	(88)
Net unrealised foreign exchanges loss	(688)	221
Finance cost	814	753
Profit income from deposits	(365)	(326)
Dividend from unit trust	(149)	(271)
<b>Operating profit before working capital changes</b>	<u>13,872</u>	<u>12,649</u>
Working capital changes :		
(Increase)/decrease in receivable	1,286	(1,716)
Decrease in inventories and work-in-progress	75	222
Increase/(decrease) in payables	5,998	(4,548)
<b>Cash generated from operations</b>	<u>21,232</u>	<u>6,607</u>
Finance cost paid	(814)	(753)
Tax paid	(12,484)	(6,284)
<b>Net cash generated from operating activities</b>	<u>7,933</u>	<u>(430)</u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant and equipment	26	4,377
(Placement)/Withdrawal of unit trust	(2,052)	4,164
Purchase of property, plant & equipment	(4,702)	(5,536)
Profit received from deposits	365	326
Dividend in unit trust	149	271
Movement in restricted deposits	(3,800)	-
<b>Net cash used in investing activities</b>	<u>(10,014)</u>	<u>3,602</u>
<b>Cash flows from financing activities</b>		
Drawdown/Repayment of borrowings	173	806
Purchase of treasury shares	(10)	(5)
Dividend paid	(4,728)	(4,006)
Dividend paid to NCI	(4,563)	(5,610)
<b>Net cash used in financing activities</b>	<u>(9,128)</u>	<u>(8,815)</u>
<b>Net decrease in cash and cash equivalents</b>	(11,209)	(5,643)
<b>Cash and cash equivalents at 1 January 2018/2017</b>	3,477	3,991
<b>Cash and cash equivalents at 30 September 2018/2017</b>	<u>(7,732)</u>	<u>(1,652)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**  
**(The figures have not been audited)**  
**(CONT'D)**

**Cash and cash equivalents :**

Cash and bank balances	18,448	25,039
Overdraft	<u>(18,764)</u>	<u>(19,779)</u>
	(316)	5,260
Less: Restricted deposits	<u>(7,415)</u>	<u>(6,912)</u>
	<u><u>(7,731)</u></u>	<u><u>(1,652)</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 7 November 2018.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the 9 months ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**  
**SELECTED EXPLANATORY NOTES**

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

No changes in composition of group for quarter ended 30 September 2018.

**A6. Segment information**

<u>30 September 2018</u>	<u>Environmental consultancy &amp; monitoring Services</u>	<u>Laboratory Services</u>	<u>Wastewater treatment &amp; Solution</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter ended 30.09.2018</u>
External revenue	20,955	38,092	901	2,141	-	62,089
Inter- segment revenue	11	1,134	496	3,484	(5,125)	-
<b>Total revenue</b>	<b>20,966</b>	<b>39,226</b>	<b>1,397</b>	<b>5,625</b>	<b>(5,125)</b>	<b>62,089</b>

**Segment Results**

Segment profit/(loss) from operations	(3,244)	17,320	(678)	(1,954)	(1,567)	9,878
Finance cost						(814)
Income tax expense						(3,575)
<b>Profit net of tax</b>						<b>5,489</b>
Non-controlling interest						(5,840)
<b>Net profit for the period</b>						<b>(351)</b>

<u>30 September 2017</u>	<u>Environmental consultancy &amp; monitoring Services</u>	<u>Laboratory Services</u>	<u>Wastewater treatment &amp; Solution</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter ended 31.09.2017</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	16,259	35,764	6,800	2,232	-	61,054
Inter- segment revenue	118	1,769	66	2,222	(4,175)	-
<b>Total revenue</b>	<b>16,377</b>	<b>37,533</b>	<b>6,865</b>	<b>4,454</b>	<b>(4,175)</b>	<b>61,054</b>

**Segment Results**

Segment profit/(loss) from operations	(2,308)	15,149	359	2,394	(7,087)	8,507
Financing cost						(753)
Income tax expense						(3,498)
<b>Profit net of tax</b>						<b>4,256</b>
Non-controlling interest						(5,100)
<b>Net profit for the period</b>						<b>(844)</b>

\* The segment denoted as "others" includes the revenue and results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries which does not fall under the segments Environmental consultancy & Monitoring Services, Laboratory Services, Wastewater Treatment & 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 6 months ended	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Provision for doubtful debts	11	9	111	29
Reversal of Provision for doubtful debt	(170)	(88)	(185)	(88)
Unrealised Foreign exchange currency losses/(gains)	(706)	757	(688)	221
Gain on disposal of property, plant and equipment	0	(1,167)	(26)	(1,147)

**A9. Income tax expense**

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Current tax :				
- Malaysia Income Tax	888	273	2,873	2,242
- Foreign Tax	253	201	996	967
- Deferred Tax	(53)	38	(294)	289
Tax expense	1,088	512	3,575	3,498
Effective tax rate			39%	45%

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.

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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:

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit for the period (RM'000)	(791)	(1,586)	(351)	(844)
Number of ordinary shares of RM0.10 each in issue ('000)	656,609	656,779	656,609	656,779
Basic Earnings Per Share (sen)	(0.12)	(0.24)	(0.05)	(0.13)

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**

	30.09.2018 RM'000	31.12.2017 RM'000
<b>Short term borrowings</b>		
Overdraft	18,764	18,938
Term loan	2,989	2,816
	<u>21,754</u>	<u>21,754</u>

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

**A13. Trade receivables**

	30.09.2018 RM'000	31.12.2017 RM'000
Trade and Other receivable	<u>38,919</u>	<u>33,336</u>

**A14. Dividends**

There is no dividend declare & paid during the quarter.

**A15. Commitments**

	30.09.2018 RM'000	31.12.2017 RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	4,702	6,247
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>4,702</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.

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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2018.

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

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

	<b>30.09.2018</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 30 September/December	<u>212</u>	<u>202</u>

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018  
SELECTED EXPLANATORY NOTES

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

B1. Performance review

Review of Group Performance

	Current Year	Preceding year corresponding	Changes	Changes
	To Date	period	Amount	+ / (-)
	30.09.2018	30.09.2017	RM'000	
	RM'000	RM'000	RM'000	+ / (-)
<b>Revenue</b>				
Environmental consultancy & monitoring services	20,966	16,377	4,589	0.28
Laboratory services	39,226	37,533	1,693	0.05
Wastewater treatment & solution	1,397	6,865	(5,468)	(0.80)
Corporate holding and Elimination	500	279	221	0.79
	62,089	61,054	1,035	0.02
<b>Segment results</b>				
Environmental consultancy & monitoring services	(3,244)	(2,305)	(939)	>(1.00)
Laboratory services	17,320	15,149	2,171	0.14
Wastewater treatment & solution	(678)	359	(1,037)	>1.00
Corporate holding and Elimination	(3,521)	(4,696)	1,172	0.25
Profit from operations	9,878	8,507	1,371	0.16
Finance charges	(814)	(753)	(61)	(0.08)
Profit before tax	9,064	7,754	1,310	0.17
Tax Expense	(3,575)	(3,498)	(77)	(0.02)
Profit net of tax	5,489	4,256	1,233	0.29
Non Controlling interest	(5,840)	(5,100)	(740)	(0.15)
Profit attributable to owners of the Company	(351)	(844)	493	0.58

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 & monitoring services segment includes the provision of environmental related services in air, water and public health.
- (b) The laboratory services segment includes the provision of Environmental and food testing and analysis services.
- (c) The Wastewater treatment & 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 nine months ended 30 September 2018, the Group revenue increased by RM1.1 million compared to the preceding year corresponding period ended 30 September 2017 due to higher revenue from environmental consultancy & monitoring services and laboratory segments. However, the profit from operations decreased by RM1.7 million mainly due to higher losses from environmental consultancy & monitoring services and wastewater treatment and solution.

## B1. Performance review (cont'd.)

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

### a) Environmental consultancy & monitoring services

Environmental consultancy & monitoring services segment revenue contributed 34% of the total Group Revenue.

The segment revenue is higher than the preceding year corresponding period ended 30 September 2017 due to higher revenue generated from Malaysian and Saudi operations. However, for the period ended 30 September 2018, this segment suffered a loss from operations amounted to RM3.2 million due to insufficient revenue to absorb the fixed operating expenses.

### b) Laboratory services

Laboratory services segment revenue contributed 63% of the total Group Revenue

For the current period ended 30 September 2018, the segment revenue is higher by 5% compared to the preceding year corresponding period due to higher revenue from the Malaysian Operation. Meanwhile the segment profit from operation is higher by 14% for the same period under review due to higher profit from both Malaysian and Indonesian operation.

### c) Wastewater treatment & solution

Wastewater treatment & solution segment revenue contributed to 3% of the total Group Revenue. Revenue and profit deterioration for the period ended 30 September 2018 as compared to the preceding year corresponding period due to lack of new project awarded.

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

	Individual Quarter			
	Quarter	Quarter	Changes	Changes
	To Date 30.09.2018 RM'000	To Date 30.06.2018 RM'000	Amount RM'000	+ / (-)
<b>Revenue</b>				
Environmental consultancy & monitoring services	6,980	6,187	793	0.13
Laboratory services	12,213	13,474	(1,261)	(0.09)
Wastewater treatment & solution	114	252	(138)	(0.55)
Corporate holding and Elimination	163	495	(332)	(0.67)
	<u>19,470</u>	<u>20,408</u>		<u>(0.05)</u>
<b>Segment results</b>				
Environmental consultancy & monitoring services	(906)	(1,731)	825	>(1.00)
Laboratory services	4,651	6,506	(1,855)	(0.29)
Wastewater treatment & solution	(438)	(270)	(168)	0.62
Corporate holding and Elimination	(1,171)	(1,025)	(146)	0.14
Profit from operations	<u>2,136</u>	<u>3,480</u>	<u>(1,344)</u>	<u>(0.39)</u>
Finance charges	(359)	(229)	(130)	0.57
Profit before tax	<u>1,777</u>	<u>3,251</u>	<u>(1,474)</u>	<u>(0.45)</u>
Tax Expense	(1,088)	(962)	(126)	0.13
Profit net of tax	<u>689</u>	<u>2,289</u>	<u>(1,600)</u>	<u>(0.70)</u>
Non Controlling interest	(1,481)	(2,270)		(0.35)
Profit attributable to owners of the company	<u>(792)</u>	<u>19</u>	(1)	(42.68)

## **B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (cont'd)**

### **2.1 Group and Segments Analysis**

#### **Group Analysis:**

For the quarter ended 30 September 2018, the Group reported a revenue and profit of operations from RM19.5 million and RM2.4 million which is lower than the preceding quarter of RM20.4 million and RM3.5 million respectively.

The drop is mainly attributed by lower revenue from the laboratory operations in Indonesia.

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

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

The segment reported a lower loss from operations amounted to RM0.9 million as compared to loss of RM1.7 million in the previous quarter ended 30 June 2018 due to delay in revenue recognition from the new projects secured in Quarter 3, 2018

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

Laboratory services segment reported a lower revenue and profit from operations by 9% and 29% respectively due to lower contribution from the Indonesia operation.

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

The wastewater segment recorded a loss of RM438k for the quarter ended 30 September 2018 as compared to loss of RM270k in the previous quarter ended 30 June 2018 due to lack of ongoing projects.

## **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 drivers for the business. Given, the economical and political uncertainties locally and abroad, the Board is of the view that the prospect for the financial year ending 31 December 2018 remains challenging.

## **B4. Profit forecast or profit guarantee**

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

## **B5. Corporate proposals**

There were no corporate proposal issued by the group for quarter ended 30 September 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 30 September 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**

Further to the announcements made on 26 March 2018, 29 March 2018, 17 April 2018, 26 April 2018, 31 May 2018 and 25 June 2018, the Board wishes to inform that on 10 July 2018 Oval Engineering has filed the Notice of Discontinuance dated 10 July 2018 in relation to the legal proceedings against ASMA, a wholly-owned subsidiary of the Company without liberty to file a fresh and no order as to costs.

**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