

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

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30.06.2018 RM'000	Current Quarter 30.06.2017 RM'000	+ / (-)	Current Year To Date 30.06.2018 RM'000	Current Year To Date 30.06.2017 RM'000	+ / (-)
Revenue	20,407	18,532	0.10	42,619	42,328	0.01
Cost of sales	(5,532)	(5,457)		(12,237)	(9,672)	
Gross profit	14,875	13,075	0.14	30,382	32,656	(0.07)
Profit income	136	95		311	367	
Other income	268	1,086		424	1,351	
Staff costs	(6,832)	(6,929)		(13,438)	(13,648)	
Depreciation and amortisation	(1,653)	(1,936)		(3,341)	(3,851)	
Other operating expenses	(3,313)	(4,256)		(6,596)	(8,890)	
Profit from operations	3,481	1,135	2.07	7,742	7,985	(0.03)
Finance costs	(229)	(133)		(455)	(467)	
Profit before tax	3,252	1,002	2.25	7,287	7,518	(0.03)
Income tax expense	(962)	(773)		(2,487)	(2,986)	
Profit net of tax	2,290	229	9.00	4,800	4,532	0.06
Other comprehensive income:						
Foreign currency translation	330	(14)		(756)	367	
Transfer at profit and loss upon disposal	-	-		-		
Other comprehensive income attributable to:	330	(14)		(756)	367	
Total comprehensive income for the period	2,620	215	11.19	4,044	4,899	(0.17)
Profit attributable to:						
Owners of the parent	20	(1,020)	(1.02)	441	743	(0.41)
Minority interest	2,270	1,249	0.82	4,359	3,789	0.15
	2,290	229	9.00	4,800	4,532	0.06

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

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(The figures have not been audited)
(CONT'D.)

Total comprehensive income
attributable to :

Owners of the parent	708	(2,165)	(1.33)	74	2,359	(0.97)
Minority interest	1,912	2,380	(0.20)	3,970	2,540	0.56
	<u>2,620</u>	<u>215</u>	11.19	<u>4,044</u>	<u>4,899</u>	(0.17)

Earning per share attributable to equity holders of the parent

Basic earning per share (sen) *	<u>0.00</u>	<u>(0.16)</u>	<u>0.00</u>	<u>(0.16)</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 JUNE 2018
(The figures have not been audited)

	Unaudited 30.06.2018 RM'000	Audited 31.12.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	39,447	39,033
Investment properties	37,564	37,909
Prepaid lease payment	947	933
Intangible assets	861	861
Deferred tax assets	385	54
	79,204	78,790
Current assets		
Inventories	375	433
Trade and other receivables	41,852	33,336
Amount due from Customer on contract	-	2,189
Investment in unit trusts	8,441	7,407
Tax Recoverable	2,958	2,759
Cash and cash equivalents	19,211	29,829
	72,837	75,953
TOTAL ASSETS	152,041	154,743
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,970	65,970
Treasury Shares	(212)	(202)
Other reserves	(696)	(330)
Retained earnings	16,300	19,142
	81,362	84,580
Non Controlling Interest	30,774	26,805
Total equity	112,136	111,385
Non-current liabilities		
Retirement benefits obligation	1,919	1,915
Deferred tax liabilities	3,071	2,980
	4,990	4,895
Current liabilities		
Trade and other payables	14,616	15,956
Amount due to customer on contract	31	-
Short term borrowings	19,174	21,754
Tax payable	1,094	753
	34,915	38,463
Total Liabilities	39,905	43,358
TOTAL EQUITY AND LIABILITIES	152,041	154,743
Net assets per share attributable to equity holders of the parent (RM)	0.12	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 2017 and the accompanying explanatory notes attached to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)

	← Attributable to owners of the company →							
	Share Capital RM'000	Non Distributable Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000	Non controlling Interest RM'000	Total Equity RM'000
At 1 January 2017	65,800	170	(190)	318	22,142	88,240	26,270	114,510
Total comprehensive income for the period	-	-	-	(765)	743	(22)	4,921	4,899
Dividend paid	-	-	-	-	(4,006)	(4,006)	-	(4,006)
Purchase of treasury shares	-	-	(5)	-	-	(5)	-	(5)
At 30 June 2017	65,800	170	(195)	(447)	18,879	84,207	31,191	115,398
At 1 January 2018	65,970	-	(202)	(329)	19,142	84,581	26,804	111,385
Total comprehensive income for the period	-	-	-	(367)	441	74	3,970	4,045
Dividend paid	-	-	-	-	(3,283)	(3,283)	-	(3,283)
Purchase of treasury shares	-	-	(10)	-	-	(10)	-	(10)
At 30 June 2018	65,970	-	(212)	(696)	16,300	81,362	30,774	112,136

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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SECOND QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)**

	Cumulative Current Year Quarter 30.06.2018 RM'000	Cumulative Preceding Year Period 30.06.2017 RM'000
Cash flows from operating activities		
Profit before taxation	7,287	7,518
Adjustments for :		
Depreciation	3,355	3,839
Gain on disposal of property, plant and equipment	(26)	(1,147)
Amortisation of prepaid lease rental	(14)	12
Provision for retirement benefits	67	67
Provision for doubtful debts	100	37
Reversal of impairment of receivable	(15)	(88)
Net unrealised foreign exchanges loss	18	257
Finance cost	455	467
Profit income from deposits	(162)	(176)
Dividend from unit trust	(149)	(191)
Operating profit before working capital changes	10,917	10,595
Working capital changes :		
(Increase)/decrease in receivable	(5,773)	1,153
Decrease in inventories and work-in-progress	58	129
Increase/(decrease) in payables	5,836	(1,975)
Cash generated from operations	11,038	9,902
Finance cost paid	(455)	(467)
Tax paid	(5,986)	(3,435)
Net cash generated from operating activities	4,596	6,000
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	26	-
(Placement)/Withdrawal of unit trust	(1,034)	2,968
Purchase of property, plant & equipment	(4,083)	(4,346)
Profit received from deposits	162	176
Dividend in unit trust	149	191
Net cash used in investing activities	(4,780)	(1,011)
Cash flows from financing activities		
Repayment of borrowings	(1,093)	(5)
Purchase of treasury shares	(10)	-
Dividend	(3,283)	(4,006)
Dividend paid to NCI	(4,563)	(3,998)
Net cash used in financing activities	(8,949)	(8,009)
Net decrease in cash and cash equivalents	(9,133)	(3,020)
Cash and cash equivalents at 1 January 2018/2017	3,477	3,991
Cash and cash equivalents at 30 June 2018/2017	(5,656)	971

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

Cash and cash equivalents :

Cash and bank balances	19,211	25,729
Overdraft	(17,451)	(17,846)
	<u>1,760</u>	<u>7,883</u>
Less: Restricted deposits	(7,416)	(6,912)
	<u>(5,656)</u>	<u>971</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
(Company No. 203352-V)

FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 June 2018.

A2. Basis of preparation

The consolidated condensed interim financial information for the 6 months ended 30 June 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.

MFRSs and amendments to MFRSs	Effective for annual period beginning on or after
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 SECOND QUARTER ENDED 30 JUNE 2018
SELECTED EXPLANATORY NOTES

A5. Changes in composition of the Group

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

A6. Segment information

<u>30 June 2018</u>	<u>Environmental consultancy & 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	13,986	26,237	869	1,527	-	42,619
Inter- segment revenue	-	776	414	232	(1,422)	-
Total revenue	13,986	27,013	1,283	1,759	(1,422)	42,619

Segment Results

Segment profit/(loss)						
from operations	(2,338)	12,669	(240)	(2,330)	(19)	7,742
Finance cost						(455)
Income tax expense						(2,487)
Profit net of tax						4,800
Non-controlling interest						(4,359)
Net profit for the period						441

<u>30 June 2017</u>	<u>Environmental consultancy & 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>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	12,727	24,060	3,967	1,574	-	42,328
Inter- segment revenue	110	1,431	71	2,106	(3,718)	-
Total revenue	12,837	25,491	4,038	3,680	(3,718)	42,328

Segment Results

Segment profit/(loss)						
from operations	544	10,960	(168)	3,521	(6,872)	7,985
Financing cost						(467)
Income tax expense						(2,986)
Profit net of tax						4,532
Non-controlling interest						(3,789)
Net profit for the period						743

* 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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A7. Seasonality or cyclicity

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	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Provision for doubtful debts	100	17	100	37
Reversal of Provision for doubtful debt	1	(88)	(15)	(88)
Unrealised Foreign exchange currency losses/(gained)	(58)	1,005	18	469
Gain on disposal of property	(33)	(1,147)	(26)	(1,147)

A9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	982	2,400	1,985	3,073
- Foreign Tax	256	13	743	169
- Deferred Tax	(276)	-	(241)	692
Tax expense	962	2,413	2,487	3,934
Effective tax rate			34%	52%

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	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit for the period (RM'000)	20	(1,020)	441	743
Number of ordinary shares of RM0.10 each in issue ('000)	656,609	656,779	656,609	656,779
Basic Earnings Per Share (sen)	0.00	(0.16)	0.07	0.11

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

	30.06.2018 RM'000	31.12.2017 RM'000
Short term borrowings		
Overdraft	17,451	18,938
Term loan	1,723	2,816
	<u>19,174</u>	<u>21,754</u>

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

A13. Trade receivables

	30.06.2018 RM'000	31.12.2017 RM'000
Trade and Other receivable	<u>41,852</u>	<u>35,525</u>

A14. Dividends

On 29th June 2018, the company has paid final dividend of 0.50 sen per shares on 656,609,000 ordinary shares which was approved by the shareholders on 13th June 2018 amounting to RM3,283,045. In addition, the company proposed to declare an interim dividend 0.15 sen per share for the financial year ending 31 December 2018 amounting to RM1,000,000. The entitlement date for the proposed interim date is set on 1 Oct 2018 payable on 12 Oct 2018.

A15. Commitments

	30.06.2018 RM'000	31.12.2017 RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	4,083	6,247
Approved but not contracted for :		
Property, plant & equipment	-	-
	<u>4,083</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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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 June 2018.

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

Share buybacks/ Treasury shares of the Company

	30.06.2018	31.12.2017
	RM'000	RM'000
As at 1 January	202	190
Share buyback	10	12
As at 30 June/December	<u>212</u>	<u>202</u>

FOR THE SECOND QUARTER ENDED 30 JUNE 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 To Date 30.06.2018 RM'000	Preceding year corresponding period 30.06.2017 RM'000	Changes Amount RM'000	Changes + / (-)
Revenue				
Environmental consultancy and monitoring services	13,986	12,837	1,149	0.09
Laboratory services	27,013	25,491	1,522	0.06
Wastewater treatment and solution	1,283	4,038	(2,755)	(0.68)
Corporate holding and Elimination	337	(38)	375	(9.87)
	<u>42,619</u>	<u>42,328</u>	<u>291</u>	<u>0.01</u>
Segment results				
Environmental consultancy and monitoring services	(2,338)	547	(2,885)	>(1.00)
Laboratory services	12,669	10,960	1,709	0.16
Wastewater treatment and solution	(240)	(168)	(72)	>1.00
Corporate holding and Elimination	(2,349)	(3,354)	1,002	0.30
Profit from operations	<u>7,742</u>	<u>7,985</u>	<u>(243)</u>	<u>(0.03)</u>
Finance charges	(455)	(467)	12	0.03
Profit before tax	<u>7,287</u>	<u>7,518</u>	<u>(231)</u>	<u>(0.03)</u>
Tax Expense	(2,487)	(2,986)	499	0.17
Profit net of tax	<u>4,800</u>	<u>4,532</u>	<u>268</u>	<u>0.06</u>
Non Controlling interest	(4,359)	(3,789)	(570)	(0.15)
Profit attributable to owners of the Company	<u>441</u>	<u>743</u>	<u>(302)</u>	<u>0.41</u>

1.1 Segments Background:

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

- The environmental consultancy and monitoring services segment includes the provision of environmental related services in air, water and public health.
- The laboratory services segment includes the provision of chemical testing, analysis and consultancy service.
- 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 first six months ended 30 June 2018, the Group revenue has increased by RM 291k compared to the preceding year corresponding period ended 30 June 2017 due to higher revenue contributed by the environmental consultancy and monitoring and lab segments. However, the profit from operation has decreased by RM243K mainly to delay in securing major projects targeted for the period ended 30 June 2018.

B1. Performance review (cont'd.)

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

The segment revenue is higher than the preceding year corresponding period ended 30 June 2017 due to the revenue generated from the carry forward projects of the Malaysian operations. However, for the period ended 30 June 2018, this segment registered a loss from operation amounted to RM2.3 million.

The segment revenue and profit however, are expected to improve as a result of new project secured by its Saudi Operation during the first quarter of 2018 worth SAR18 million. This project will contribute to higher revenue from third quarter onwards.

b) Laboratory services

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

The segment revenue and profit is higher by 6% and 16% respectively for the first six months ended 30 June 2018 mainly due to higher orders secured by the Malaysian Operation.

c) Wastewater treatment and solution

Wastewater treatment and solution segment revenue contributed to 3% of the total Group Revenue. Wastewater treatment and solution showed a decrease in revenue and profit to the preceding year corresponding period ended 30 June 2017 due to failure to secure the targeted projects.

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

	Individual Quarter		Changes	Changes
	Quarter To Date 30.06.2018 RM'000	Restate Quarter To Date 31.03.2018 RM'000	Amount RM'000	+ / (-)
Revenue				
Environmental consultancy and monitoring services	6,187	7,799	(1,612)	(0.21)
Laboratory services	13,474	13,539	(65)	(0.00)
Wastewater treatment and solution	252	1,031	(779)	(0.76)
Corporate holding and Elimination	495	(158)	653	(4.13)
	20,408	22,211		(0.08)
Segment results				
Environmental consultancy and monitoring services	(1,731)	(607)	(1,125)	>(1.00)
Laboratory services	6,506	6,163	343	0.06
Wastewater treatment and solution	(270)	30	(299)	(10.11)
Corporate holding and Elimination	(1,025)	(1,325)	300	(0.23)
Profit from operations	3,480	4,261	(781)	(0.18)
Finance charges	(229)	(226)	(3)	0.01
Profit before tax	3,251	4,035	(784)	(0.19)
Tax Expense	(962)	(1,525)	563	(0.37)
Profit net of tax	2,289	2,510	(221)	(0.09)
Non Controlling interest	(2,270)	(2,089)		0.09
Profit attributable to owners of the company	19	421	(0)	(0.95)

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 June 2018, the Group reported a revenue and pre-tax profit of RM 20.4 million and RM2.3 million respectively which is lower than the preceding quarter of RM 22.2 million and RM 2.5 million respectively.

The drop in both revenue and pre-tax profit is mainly attributed by the lower project secured during the quarter.

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 1.7 million as compared to loss of RM0.6 million in the previous quarter ended 31 March 2018. Lower revenue and earnings were due to delays in securing orders in Quarter 2, 2018.

b) Laboratory services

Laboratory services segment reported a higher profit by 6% from operation for the quarter ended 30 June 2018 compared to the previous quarter ended 31 March 2018. This was due to higher orders secured from environmental services client for Malaysian Operation.

c) Wastewater treatment and solution

The wastewater segment recorded a loss of RM 270k for the quarter ended 30 June 2018 as compared to RM 30k profit in the previous quarter ended 31 March 2018 due to lower revenue recognised for projects which are at the tail-end of 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 drivers 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.

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 June 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 June 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