

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**  
(The figures have not been audited)

	Individual Quarter		+ / (-)	Cumulative Quarter		+ / (-)
	Current Quarter 30.9.2017 RM'000	Current Quarter 30.9.2016 RM'000		Current Year To Date 30.9.2017 RM'000	Current Year To Date 30.9.2016 RM'000	
Revenue	18,726	22,795	(0.18)	61,054	64,549	(0.05)
Cost of sales	(5,771)	(6,099)		(15,443)	(15,662)	
<b>Gross profit</b>	<b>12,956</b>	<b>16,695</b>	<b>(0.22)</b>	<b>45,611</b>	<b>48,887</b>	<b>(0.07)</b>
Profit income	351	102		597	315	
Other income	(81)	20		1,390	457	
Staff costs	(6,952)	(5,880)		(20,601)	(18,609)	
Depreciation and amortisation	(1,792)	(1,804)		(5,643)	(5,933)	
Other operating expenses	(3,958)	(3,451)		(12,847)	(14,145)	
<b>Profit from operations</b>	<b>523</b>	<b>5,682</b>	<b>(0.91)</b>	<b>8,508</b>	<b>10,972</b>	<b>(0.22)</b>
Finance costs	(286)	(222)		(753)	(692)	
<b>Profit before tax</b>	<b>237</b>	<b>5,460</b>	<b>(0.96)</b>	<b>7,755</b>	<b>10,281</b>	<b>(0.25)</b>
Income tax expense	(512)	(1,884)		(3,498)	(5,818)	
<b>Profit net of tax</b>	<b>(274)</b>	<b>3,576</b>	<b>(1.08)</b>	<b>4,258</b>	<b>4,463</b>	<b>(0.05)</b>
<b>Other comprehensive income:</b>						
Foreign currency translation	(1,499)	294		(1,132)	1,074	
<b>Other comprehensive income attributable to:</b>	<b>(1,499)</b>	<b>294</b>		<b>(1,132)</b>	<b>1,074</b>	
<b>Total comprehensive income for the period</b>	<b>(1,773)</b>	<b>3,870</b>	<b>(1.46)</b>	<b>3,126</b>	<b>5,537</b>	<b>(0.44)</b>
<b>(Loss)/Profit attributable to:</b>						
Owners of the parent	(1,585)	2,459	(1.64)	(842)	282	(3.99)
Minority interest	1,311	1,117	0.17	5,100	4,181	0.22
	<b>(274)</b>	<b>3,576</b>	<b>(1.08)</b>	<b>4,258</b>	<b>4,463</b>	<b>(0.05)</b>
<b>Total comprehensive (loss)/income attributable to :</b>						
Owners of the parent	(1,042)	2,628	(1.40)	(1,065)	1,131	(1.94)
Minority interest	(730)	1,242	(1.59)	4,191	4,406	(0.05)
	<b>(1,773)</b>	<b>3,870</b>	<b>(1.46)</b>	<b>3,126</b>	<b>5,537</b>	<b>(0.44)</b>
<b>Deficit per share attributable to equity holders of the parent</b>						
<b>Basic deficit per share (sen) *</b>	<b>(0.24)</b>	<b>0.09</b>		<b>(0.13)</b>	<b>(0.33)</b>	

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 30 SEPTEMBER 2017**  
(The figures have not been audited)

	<b>Unaudited 30.9.2017 RM'000</b>	<b>Audited 31.12.2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	40,393	45,071
Investment properties	38,081	38,599
Prepaid lease payment	980	1,054
Intangible assets	861	861
	80,315	85,585
<b>Current assets</b>		
Inventories	409	631
Trade and other receivables	37,596	34,087
Investment in unit trusts	10,835	14,999
Cash and cash equivalents	25,039	30,446
	73,879	80,163
<b>TOTAL ASSETS</b>	154,194	165,748
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	65,800	65,800
Share Premium	170	170
Treasury Shares	(195)	(190)
Other reserves	96	318
Retained earnings	17,294	22,142
	83,165	88,240
Non Controlling Interest	30,460	26,270
<b>Total equity</b>	113,625	114,510
<b>Non-current liabilities</b>		
Retirement benefits obligation	1,667	1,616
Deferred tax liabilities	2,992	2,703
	4,659	4,319
<b>Current liabilities</b>		
Trade and other payables	15,087	24,715
Short term borrowings	22,259	21,218
Tax payable	(1,436)	986
	35,910	46,919
<b>Total Liabilities</b>	40,569	51,238
<b>TOTAL EQUITY AND LIABILITIES</b>	154,194	165,748
<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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**  
(The figures have not been audited)

	← Attributable to owners of the company →							
	← Non Distributable →				Distributable		Non controlling Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
<b>At 1 January 2016</b>	65,800	170	(27)	(963)	31,061	96,041	27,448	123,489
Total comprehensive (loss)/income for the period	-	-		849	282	1,131	4,406	5,537
<b>Transaction with owner</b>								
Purchase of Treasury Shares			(100)			(100)		(100)
Dividend	-	-	-	-	(2,614)	(2,614)	-	(2,614)
<b>At 30 September 2016</b>	<b>65,800</b>	<b>170</b>	<b>(127)</b>	<b>(114)</b>	<b>28,729</b>	<b>94,458</b>	<b>31,854</b>	<b>126,312</b>
<b>At 1 January 2017</b>	65,800	170	(190)	318	22,142	88,240	26,270	114,510
Total comprehensive (loss)/income for the period	-	-	-	(222)	(842)	(1,065)	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>83,164</b>	<b>30,461</b>	<b>113,625</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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**  
**(The figures have not been audited)**

	<b>Cumulative Current Year Quarter 30.9.2017 RM'000</b>	<b>Cumulative Preceding Year Period 30.9.2016 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	7,755	10,281
<b>Adjustments for :</b>		
Depreciation	5,624	4,973
Amortisation of prepaid lease rental	19	19
Provision for retirement benefits	100	115
Loss/(Gain) on disposal of property, plant & equipment; net	(1,167)	-
Provision for doubtful debts	29	1,417
Reversal of impairment of receivable	(88)	-
Net unrealised foreign exchanges loss	221	1,634
Finance cost	753	692
Profit income from deposits	(326)	(39)
Dividend from unit trust	(271)	(276)
<b>Operating profit before working capital changes</b>	<u>12,649</u>	<u>18,814</u>
Working capital changes :		
Increase in receivable	(1,716)	(9,238)
Decrease in inventories and work-in-progress	222	372
Decrease in payables	<u>(4,548)</u>	<u>(14,384)</u>
<b>Cash generated from operations</b>	6,608	(4,436)
Finance cost paid	(753)	(692)
Tax paid	<u>(6,284)</u>	<u>(6,004)</u>
<b>Net cash generated from operating activities</b>	<u>(429)</u>	<u>(11,131)</u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant and equipment	4,377	5
Withdrawal/(Placement) of unit trust	4,164	(2,480)
Purchase of property, plant & equipment	(5,536)	(4,610)
Profit received from deposits	326	39
Dividend in unit trust	271	276
Movement in restricted deposits	-	12,282
<b>Net cash used in investing activities</b>	<u>3,601</u>	<u>5,512</u>
<b>Cash flows from financing activities</b>		
Drawdown/ (repayment) of borrowings	806	(2,381)
Purchase of treasury shares	(5)	-
Dividend paid	(4,006)	(100)
Dividend to non-controlling interest	(5,610)	(2,614)
<b>Net cash used in financing activities</b>	<u>(8,815)</u>	<u>(5,094)</u>
<b>Net decrease in cash and cash equivalents</b>	(5,643)	(10,713)
<b>Cash and cash equivalents at 1 January 2017/2016</b>	3,991	12,806
<b>Cash and cash equivalents at 30 September 2017/2016</b>	<u>(1,652)</u>	<u>2,093</u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	25,039	25,934
Overdraft	<u>(19,779)</u>	<u>(17,140)</u>
	5,260	8,794
Less: Restricted deposits	<u>(6,912)</u>	<u>(6,701)</u>
	<u>(1,652)</u>	<u>2,093</u>

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 20 November 2017

**A2. Basis of preparation**

The consolidated condensed interim financial information for the 9 months ended 30 September 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 Initiative 1 January 2017

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised loss 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

<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.

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017  
SELECTED EXPLANATORY NOTES

A5. Changes in composition of the Group

On 2 August 2017, ASMA Advanced Solutions LLC ("ASMA Advanced Solutions") was incorporated in Saudi Arabia with its entire share capital of SAR 500,000 equivalent to RM590,000. The company held 60% equity whilst the balance is held by Trade House Group Holding Company ("Trade House Group"), a company incorporated in the Kingdom of Saudi Arabia.

The principal activity of ASMA Advanced Solutions will be provision of waste water treatment solutions.

A6. Segment information

<u>30 September 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 30.09.2017</u>
External revenue	16,259	35,763.91	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	(2,757)	15,149	809	2,394	(7,085)	8,508
Finance cost						(753)
Income tax expense						(3,498)
<b>Profit net of tax</b>						<b>4,258</b>
Non-controlling interest						(5,100)
<b>Net profit for the period</b>						<b>(842)</b>

<u>30 September 2016</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 30.06.2016</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	30,058	29,103	2,804	2,584	-	64,549
Inter- segment revenue	-	2,818	-	4,138	(6,956)	-
<b>Total revenue</b>	<b>30,058</b>	<b>31,921</b>	<b>2,804</b>	<b>6,722</b>	<b>(6,956)</b>	<b>64,549</b>

**Segment Results**

Segment profit/(loss) from operations	2,826	12,783	(372)	1,132	(5,396)	10,973
Financing cost						(692)
Income tax expense						(5,818)
<b>Profit net of tax</b>						<b>4,463</b>
Non-controlling interest						(4,181)
<b>Net profit for the period</b>						<b>282</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

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**  
**SELECTED EXPLANATORY NOTES**

**A7. Seasonality or cyclicity**

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

**A8. Profit before taxation**

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Foreign exchange currency (gained)/losses	913	9	1,045	1,942
Gain on disposal of property	-	-	-	-

**A9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Current tax :				
- Malaysia Income Tax	273	975	2,242	6,398
- Foreign Tax	201	1,192	967	1,205
- Deferred Tax	38	(283)	289	(1,785)
Tax expense	512	1,884	3,498	5,818
Effective tax rate			45%	57%

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.

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**  
**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		Cumulative quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Profit/(loss) for the period (RM'000)	(1,585)	2,459	(842)	282
Number of ordinary shares of RM0.10 each in issue ('000)	656,780	657,973	656,780	657,973
Basic Earnings/(deficit) Per Share (sen)	(0.24)	0.37	(0.13)	0.04

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**

	30.09.2017	31.12.2016
	RM'000	RM'000
<b>Short term borrowings</b>		
Overdraft	19,779	19,544
Term loan	2,480	1,674
	<u>22,259</u>	<u>21,218</u>

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

**A13. Trade receivables**

	30.09.2017	31.12.2016
	RM'000	RM'000
Trade and Other receivable	37,596	34,087

As at 30 September 2017, the trade receivable has increased by RM 3 million mainly due increase in debtors turnover days for Saudi operation.

**A14. Dividends**

There is no dividend declared or paid for quarter ended 30 September 2017.

**A15. Commitments**

	30.09.2017	31.12.2016
	RM'000	RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	2,432	2,728
Approved but not contracted for :		
Property, plant & equipment	4,038	3,543
	<u>6,470</u>	<u>6,271</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.

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

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**  
**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 2017

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

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

	<b>30.09.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	190	27
Share buyback	5	163
As at 30 September/31 December	<u>195</u>	<u>190</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 30.9.2017 RM'000	Preceding year corresponding period 30.9.2016 RM'000	Changes Amount RM'000	Changes + / (-)
<b>Revenue</b>				
Environmental consultancy and monitoring services	16,377	30,058	(13,681)	(0.46)
Laboratory services	37,533	31,921	5,612	0.18
Wastewater treatment and solution	6,865	2,804	4,061	>1.00
Corporate holding and elimination	279	(234)	513	>(1.00)
	<u>61,054</u>	<u>64,549</u>	<u>(3,495)</u>	<u>(0.05)</u>
<b>Segment results</b>				
Environmental consultancy and monitoring services	(2,757)	2,826	(5,583)	>(1.00)
Laboratory services	15,149	12,783	2,366	0.19
Wastewater treatment and solution	809	(372)	1,181	>1.00
Corporate holding and elimination	(4,692)	(4,264)	(428)	(0.10)
Profit from operations	<u>8,508</u>	<u>10,972</u>	<u>(2,464)</u>	<u>(0.22)</u>
Finance charges	(753)	(692)	(61)	(0.09)
Profit before tax	<u>7,755</u>	<u>10,281</u>	<u>(2,525)</u>	<u>(0.25)</u>
Tax Expense	(3,498)	(5,818)	2,320	0.40
Profit net of tax	<u>4,258</u>	<u>4,463</u>	<u>(205)</u>	<u>(0.05)</u>
Non Controlling interest	(5,100)	(4,181)	(919)	(0.22)
Loss/ Profit attributable to owners of the company	<u>(842)</u>	<u>282</u>	<u>(1,124)</u>	<u>&gt;(1.00)</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 - providing environmental related services
- The laboratory services segment - chemical testing, consultancy service and other services of similar nature
- The Wastewater treatment and solution segment - provision of waste water treatment solution system.

1.2 Group and Segments Analysis

**Group Analysis:**

Group Revenue and Profit net of tax for nine months ended 30th September 2017 was lower than same period ended 30th September 2016 by 5% and 22% respectively primarily due to the lower earnings from environmental consultancy and monitoring services.

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 27% from the total Group Revenue.

The segment revenue dropped significantly due to end of environmental monitoring and data management services concession with the Malaysian Department of Environment (DOE). To date, this segment registered a loss of RM 2.8 million. The segment revenue is expected to increase in Quarter 4 with the awards of a number of air and water quality monitoring contracts.

## B1 Review of Group Performance

### 1.1 Segments Background:

#### b) Laboratory services

Laboratory services segment revenue contributed 61% from the total Group Revenue and the the segment has shown an improvement of 19% on the earning due to higher projects secured in Indonesia.

Furthermore, with recent appointment as JAKIM Halal Testing Panel laboratory , Malaysia lab is expected to contribute further growth to the segment.

#### c) Wastewater treatment and solution

Wastewater treatment and solution segment revenue contributed 11% from the total Group Revenue. Wastewater treatment and solution shown an improvement in revenue and profit from operation as at 30 September 2017.

Going forward, the Group continues 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 30.9.2017 RM'000	Quarter To Date 30.6.2017 RM'000		
<b>Revenue</b>				
Environmental consultancy and monitoring services	3,541	4,113	(572)	(0.14)
Laboratory services	12,042	12,085	(44)	(0.00)
Wastewater treatment and solution	2,827	1,996	832	0.42
Others	773	2,777	(2,004)	(0.72)
Corporate elimination	(457)	(2,439)	1,983	0.81
	<u>18,726</u>	<u>18,532</u>		0.01
<b>Segment results</b>				
Environmental consultancy and monitoring services	(3,053)	(1,344)	(1,709)	>(1.00)
Laboratory services	4,189	3,990	198	0.05
Wastewater treatment and solution	734	120	615	>(1.00)
Others	(1,127)	5,182	(6,309)	>(1.00)
Corporate elimination	(213)	(6,831)	6,618	0.97
Profit from operations	<u>529</u>	<u>1,116</u>	<u>(587)</u>	<u>&gt;(1.00)</u>
Finance charges	<u>(286)</u>	<u>(133)</u>	<u>(153)</u>	<u>&gt;(1.00)</u>
Profit before tax	<u>243</u>	<u>983</u>	<u>(740)</u>	<u>&gt;(1.00)</u>
Tax Expense	<u>(512)</u>	<u>(773)</u>	<u>261</u>	<u>0.34</u>
Profit net of tax	<u>(268)</u>	<u>211</u>	<u>(479)</u>	<u>&gt;(1.00)</u>
Non Controlling interest	(1,311)	(1,249)	(62)	(0.05)
Loss/ Profit attributable to owners of the company	<u>(1,579)</u>	<u>(1,038)</u>	<u>(1)</u>	<u>&gt;(1.00)</u>

## 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 third quarter was relatively consistent with previous quarter. However, the company has incurred a higher loss compared to the previous quarter due to higher loss incurred for environmental consultancy and monitoring services segment.

## 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 suffered a loss of RM3 million compared to loss of RM 1.3 million in preceding quarter. This is due to end of environmental monitoring and data management services concession with Department of Environment (DOE) and lower revenue during the quarter

#### b) Laboratory services

Slight increased in PBT by 5% compared to preceding quarter resulted from increase of revenue in indonesia operation.

#### c) Wastewater treatment and solution

Current quarter recorded at profit of RM 734k compared to RM120k profit in preceding quarter due to higher conversion of revenue during the quarter.

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

There is material change in profit before taxation during the quarter s due to end of environmental monitoring and data management services concession with Department of Environment (DOE) and incorporation of new subsidiary in Saudi.

## B4. Commentary on prospects

The group continuously reviews its resources to ensure its efficiency and effective utilization and will continues exploring the new market and opportunities using the competitive advantage of its main product and services.

The regulations remain as the main driver of the business opportunities as well as the value proposition offered by our products and services.

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.

## 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 30 September 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 30 September 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 Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 30 September 2017 and 31 December 2016 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No. 1 : Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	30.09.2017 RM'000	31.12.2016 RM'000
Total retained profits of the Group :		
Realised	28,456	26,688
Unrealised	2,992	661
	<u>31,447</u>	<u>27,349</u>
Add/(less) : Consolidation adjustments	(14,154)	(5,207)
Total Group's retained profits as per consolidated accounts	<u>17,294</u>	<u>22,142</u>

**B11 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