



PROGRESSIVE IMPACT CORPORATION BERHAD

(Company No.: 203352-V)
(Incorporated in Malaysia under the Companies Act, 1965)



PUBLIC ISSUE OF 7,000,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:-

- 4,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC; AND
- 3,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE DIRECTORS, ELIGIBLE EMPLOYEES AND BUSINESS ASSOCIATES OF PROGRESSIVE IMPACT CORPORATION BERHAD AND ITS SUBSIDIARIES

AND

OFFER FOR SALE OF 18,000,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF:-

- 2,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC; AND
- 16,000,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.75 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION PURSUANT TO ITS LISTING ON THE SECOND BOARD OF BURSA MALAYSIA SECURITIES BERHAD

Adviser, Managing Underwriter, Underwriter and Placement Agent



AmMerchant Bank Berhad

(25742-V) A member of the AmBank Group

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 3 HEREOF



RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF PROGRESSIVE IMPACT CORPORATION BERHAD ("PIC" OR THE "COMPANY") AND THE OFFERORS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

AMMERCHANT BANK BERHAD, BEING THE ADVISER AND MANAGING UNDERWRITER ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING AND ARE SATISFIED THAT ANY PROFIT FORECAST (FOR WHICH THE DIRECTORS OF PIC ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE IN RESPECT OF THE INITIAL PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE INITIAL PUBLIC OFFERING.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF PIC AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA MALAYSIA SECURITIES BERHAD SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF PIC AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, PIC OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for PIC's entire enlarged share capital of RM47,000,000 comprising 94,000,000 ordinary shares of RM0.50 each on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities") is set out below: -

| Date | Event |
|-------------------|--|
| 30 September 2004 | : Issue of Prospectus/Opening date of the IPO |
| 7 October 2004 | : Closing date of the IPO |
| 11 October 2004 | : Balloting of Applications |
| 19 October 2004 | : Listing of the Company's entire issued and paid-up share capital on the Second Board of Bursa Securities |

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 7 OCTOBER 2004 OR FOR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS OF PIC TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE. SHOULD THERE BE AN EXTENSION OF THE CLOSING DATE, THE DATE OF LISTING WILL BE EXTENDED.

SHOULD THE CLOSING DATE OF THE AFORESAID APPLICATION BE EXTENDED, THE DATES FOR THE BALLOTING AND LISTING OF PIC'S ENTIRE ISSUED AND PAID UP CAPITAL ON THE SECOND BOARD OF BURSA SECURITIES MIGHT BE EXTENDED ACCORDINGLY. ANY CHANGES TO THE APPLICATION PERIOD FOR THE PUBLIC ISSUE WILL BE NOTIFIED TO THE PUBLIC VIA AN ADVERTISEMENT IN A DAILY BAHASA MALAYSIA AND ENGLISH NEWSPAPER.

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings: -

| | | |
|---|---|---|
| Act | : | The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force |
| ADA | : | Authorised Depository Agent |
| ADA Code | : | ADA (Broker) Code |
| ALS | : | ALS Technichem (M) Sdn Bhd (117964-P) |
| AmMerchant Bank | : | AmMerchant Bank Berhad (23742-V) |
| Application | : | The application for the IPO Shares by way of Application Forms or by way of Electronic Share Application |
| Application Form(s) | : | The printed Application Form(s) for the application for the IPO Shares |
| ASEAN | : | Association of South East Asian Nations |
| ASMA | : | Alam Sekitar Malaysia Sdn Bhd (265586-W) |
| ATM | : | Automated Teller Machine |
| Bonus Issue | : | The bonus issue of 17,921,658 new ordinary shares of RM1.00 each in PIC on the basis of approximately 858 Bonus Shares for every 1,000 existing ordinary shares of RM1.00 each held after the Disposals |
| Bonus Shares | : | The 17,921,658 ordinary shares of RM1.00 each in PIC issued pursuant to the Bonus Issue |
| Board of Directors or Directors | : | Board of Directors of PIC |
| Bursa Depository | : | Bursa Malaysia Depository Sdn. Bhd. (<i>formerly known as Malaysia Central Depository Sdn Bhd</i>) (165570-W), a subsidiary of Bursa Securities |
| Bursa Securities or the Securities Exchange | : | Bursa Malaysia Securities Berhad (<i>formerly known as Malaysia Securities Exchange Berhad</i>) (635998-W) |
| CDS | : | Central Depository System |
| Central Depositories Act | : | The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force |
| Concession | : | The concession relating to the privatisation of air and water quality monitoring which includes establishing of a comprehensive environmental monitoring program for the country and the collection, processing, interpretation, analysis and dissemination of environmental data |
| Concession Agreement | : | The concession agreement dated 14 April 1995 between the Government of Malaysia and ASMA |

DEFINITIONS (Cont'd)

| | | |
|------------------------------|---|--|
| Deposited Security | : | A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules |
| Depositor | : | A holder of a Securities Account |
| Disposals | : | Disposals of PIC's entire equity interests in Foxboro (M) Sdn Bhd, PI-CSE Systems & Engineering (M) Sdn Bhd, PI Cak Sdn Bhd, Progressive Impact Aquaculture Sdn Bhd, PI Trading Sdn Bhd, PI Styrol Block Sdn Bhd, Kajicuaca Malaysia Sdn Bhd, Metronic Impact Sdn Bhd, PI Tech and EPS Systems & Engineering Sdn Bhd |
| DOE | : | Department of Environment, an agency under the Ministry of Natural Resources and Environment, Malaysia |
| EBIDTA | : | Earnings before interest, depreciation, taxation and amortisation |
| Electronic Share Application | : | An application for the IPO Shares through Participating Financial Institutions |
| EPS | : | Earnings per Share |
| FIC | : | Foreign Investment Committee |
| IPO | : | Initial Public Offering being the Public Issue and Offer for Sale |
| IPO Price | : | RM0.75 for each IPO Share |
| IPO Shares | : | The Public Issue Shares and Offer Shares, collectively |
| IT | : | Information technology |
| Listing | : | Admission to the Official List and the listing of and quotation for the entire issued and paid share capital of PIC of RM47,000,000 comprising 94,000,000 Shares on the Second Board of Bursa Securities |
| Listing Requirements | : | The Listing Requirements of Bursa Securities |
| Listing Scheme | : | The Disposals, Revaluation, Bonus Issue, Rights Issue, Public Issue, Offer for Sale and Listing collectively |
| Malaysian Public | : | Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia |
| MI | : | Minority interest |
| MIH or Issuing House | : | Malaysian Issuing House Sdn Bhd (258345-X) |
| MITI | : | Ministry of International Trade and Industry |
| MOU | : | Memorandum of Understanding |
| NTA | : | Net tangible assets |

DEFINITIONS (Cont'd)

Offerors : The offerors of the Offer For Sale, the details of which are as follows: -

| Offerors | No. of Offer Shares | % of enlarged share capital |
|-----------------------------|----------------------------|------------------------------------|
| ZKSB | 10,300,000 | 10.96 |
| Haji Zaid bin Haji Abdullah | 6,980,000 | 7.43 |
| Hassan bin Hussain | 720,000 | 0.76 |
| Total | 18,000,000 | 19.15 |

Offer For Sale or Offer : Offer for sale by the Offerors of 18,000,000 Shares in PIC, at an offer price of RM0.75 per Share payable in full upon application, subject to the terms and conditions of this Prospectus

Offer Shares : The 18,000,000 Shares in PIC to be offered pursuant to the Offer For Sale

PAT : Profit after taxation

Participating Financial Institution(s) : Refers to the participating financial institutions for Electronic Share Application as listed in Section 14 of this Prospectus

PBT : Profit before taxation

PE Multiple : Price earnings multiple

PIC or Company : Progressive Impact Corporation Berhad (203352-V)

PIC Group or Group : PIC and its subsidiary companies

PI Tech : Progressive Impact Technology Sdn Bhd (240206-U)

Placement Agent : AmMerchant Bank

PNS : Perbadanan Nasional Berhad (9157-K)

Promoter(s) : ZKSB, Haji Zaid bin Haji Abdullah, Hassan bin Hussain and Hajjah Zaidah binti Mohd Salleh collectively

Public Issue or Issue : The public issue of 7,000,000 Shares in PIC at an issue price of RM0.75 per Share payable in full upon application, subject to the terms and conditions of this Prospectus

Public Issue Shares : The 7,000,000 new Shares in PIC which are the subject of the Public Issue

PUNB : Perbadanan Usahawan Nasional Berhad (221057-V)

QURSB : Quantum Up Returns Sdn Bhd (627006-M)

Revaluation : Revaluation of PIC's investments in its subsidiary companies namely ASMA and ALS and the landed properties owned by PIC

Rights Issue : The rights issue of 4,700,000 new ordinary shares of RM1.00 each in PIC at an issue price of RM1.00 per Rights Share to the existing shareholders of PIC on the basis of 121 Rights Shares for every 1,000 existing Shares held after the Bonus Issue

DEFINITIONS (Cont'd)

| | | |
|----------------------------|---|---|
| Rights Shares | : | The 4,700,000 ordinary shares of RM1.00 each in PIC issued pursuant to the Rights Issue |
| Record of Depositors | : | A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules |
| RM and sen | : | Ringgit Malaysia and sen respectively |
| Rules | : | The Rules of the Central Depository |
| SC | : | Securities Commission |
| SC Guidelines | : | SC's Policies and Guidelines on Issue/Offer of Securities |
| Share(s) | : | Ordinary share(s) of RM0.50 each |
| Securities Account | : | An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor |
| Share Split | : | The subdivision of the existing ordinary shares of RM1.00 each in PIC into ordinary shares of RM0.50 each upon completion of the Disposals, Revaluation, Bonus Issue and Rights Issue |
| Substantial Shareholder(s) | : | Shareholder(s) holding 5% or more equity interest in the Company |
| ZKSB | : | Zaiyadal Keluarga Sdn Bhd (243673-V) |

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GLOSSARY OF TECHNICAL TERMS

| | | |
|--------|---|---|
| APHA | : | American Public Health Association |
| API | : | Air Pollutant Index |
| BS | : | British Standards |
| CAQM | : | Continuous Air Quality Monitoring |
| CDM | : | Clean Development Mechanism |
| CWQM | : | Continuous Water Quality Management |
| DAS | : | Data Acquisition System |
| DOSH | : | Department of Occupational Safety and Health |
| EMS | : | Environmental Management Systems |
| EQA | : | Environmental Quality Act |
| ER | : | Emissions Reduction |
| FDA | : | Food and Drug Administration |
| GCMS | : | Gas Chromatograph Mass Spectrometry |
| GDP | : | Gross Domestic Product |
| GHG | : | Greenhouse Gases |
| GIS | : | Geographical Information System |
| GPS | : | Geographical Positioning System |
| ICPAES | : | Inductively Coupled Plasma Atomic Emission Spectroscopy |
| IDA | : | International Distribution Agreement |
| IEC | : | International Electrotechnical Commission |
| IPC | : | Infrastructure Project Company |
| ISO | : | International Standard Organisation |
| JVA | : | Joint Venture Agreement |
| MAQI | : | Malaysian Air Quality Index |
| MNC | : | Multinational Companies |
| MNRE | : | Ministry of Natural Resources and Environment |
| MS | : | Malaysian Standards |
| MSA | : | Management Services Agreement |
| PSI | : | Pollutant Standard Index |

GLOSSARY OF TECHNICAL TERMS

| | | |
|-------|---|---|
| QAQC | : | Quality Assurance Quality Control |
| RMG | : | Recommended Malaysian Air Quality Guideline |
| SAMM | : | Skim Akreditasi Makmal Malaysia |
| SCADA | : | Supervisory Control and Data Acquisition |
| SSA | : | Share Sale Agreement |
| TOC | : | Total Organic Carbon |
| TSA | : | Technical Services Agreement |
| USEPA | : | United States Environmental Protection Agency |

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CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Hajjah Zaidah binti Mohd Salleh (MIA 3313)
10, Jalan Damar Minyak 3/1
40000 Shah Alam
Selangor Darul Ehsan
Telephone No. : 03 – 7845 6566
- Chen Yen Mooi (MAICSA 0764951)
67, Jalan Rasmi
Taman Rasmi
68000 Ampang
Selangor Darul Ehsan
Telephone No. : 03 – 7725 2888
- Lew Ken Lee (MAICSA 7022557)
No.30 Jalan PUJ 2/19
Taman Puncak Jalil
Bandar Putra Permai
43300 Seri Kembangan
Selangor Darul Ehsan
Telephone No. : 03 – 7725 2888
- REGISTERED OFFICE** : No. 19, 2nd Floor, Jalan Astaka U8/84,
Bukit Jelutong Business & Technology Centre
40150 Shah Alam
Selangor Darul Ehsan
Telephone No. : 03-7845 6566
Facsimile No. : 03-7845 7566
- HEAD OFFICE** : No. 19, 2nd Floor, Jalan Astaka, U8/84,
Bukit Jelutong Business & Technology Centre
40150 Shah Alam
Selangor Darul Ehsan
Telephone No. : 03-7845 6566
Facsimile No. : 03-7845 7566
Website : <http://www.pic.com.my>
- REGISTRAR AND TRANSFER OFFICE** : PFA Registration Services Sdn Bhd (19234-W)
Level 13 Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : 03-7725 4888
- AUDITORS AND REPORTING ACCOUNTANTS** : Ernst & Young (AF No. 0039)
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Telephone No. : 03 – 2087 7000
- SOLICITORS FOR THE PUBLIC ISSUE AND OFFER FOR SALE** : Lee Hishammuddin
Level 16 Menara Asia Life
189 Jalan Tun Razak
50400 Kuala Lumpur
Telephone No. : 03 – 2161 2330

CORPORATE DIRECTORY**BOARD OF DIRECTORS**

| Name (Directorship/Position held) | Address | Nationality / Occupation |
|--|--|-------------------------------------|
| Haji Zaid bin Haji Abdullah (Group Managing Director) | 10, Jalan Damar Minyak 3/1 40000 Shah Alam Selangor Darul Ehsan | Malaysian / Company Director |
| Hajjah Zaidah binti Mohd Salleh (Group Executive Director) | 10, Jalan Damar Minyak 3/1 40000 Shah Alam Selangor Darul Ehsan | Malaysian / Company Director |
| Hassan bin Hussain (Group Executive Director) | Apartment 3.03 Hampstead Rise Condominium 28, Jalan 3, Taman Sri Ukay Off Jalan Ulu Klang 68000 Ampang Selangor Darul Ehsan | Malaysian / Company Director |
| Dato' Mohamed bin Hashim (Independent, Non-Executive Chairman) | No. 53 Lorong Buluh Perindu 5 Jalan Damansara 59000 Kuala Lumpur | Malaysian / Company Director |
| Emeritus Professor Dato' Dr. Mohd Sham bin Mohd Sani (Independent, Non-Executive Director) | No. 1 Jalan 1/7J 43850 Bandar Baru Bangi Selangor Darul Ehsan | Malaysian / Company Director |
| Lee Weng Chong (Independent, Non-Executive Director) | No. 57, Greenfield Drive 457951 Singapore | Malaysian / Company Director |

AUDIT COMMITTEE

| Name | Designation | Directorship |
|---|--------------------|--|
| Dato' Mohamed bin Hashim | Chairman | Independent, Non-Executive Chairman |
| Emeritus Professor Dato' Dr. Mohd Sham bin Mohd Sani | Member | Independent, Non-Executive Director |
| Hajjah Zaidah binti Mohd Salleh | Member | Group Executive Director |

CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL BANKERS** : AmBank Berhad (295576-U)
Level 17, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone No. : 03 - 2026 3939
- : Malayan Banking Berhad (3813-K)
24th Floor, East Wing
Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Telephone No. : 03 – 2070 8833
- VALUER** : Azmi & Co Sdn Bhd (77155-D)
B9 Jalan Ampang Utama 2/2
One Ampang Avenue
68000 Ampang
Selangor Darul Ehsan
Telephone No. : 03 – 4256 6666
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : 03 – 2693 2075
- ADVISER, MANAGING
UNDERWRITER AND
PLACEMENT AGENT** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : 03 – 2078 2633
- UNDERWRITERS** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : 03 – 2078 2633
- AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : 03 – 2078 2788
- LISTING SOUGHT** : Second Board of Bursa Securities