

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year 31.12.05	Preceding Year Corresponding Quarter 31.12.04	Current Year To Date 31.12.05	Preceding Year Corresponding Period 31.12.04
	RM'000	RM'000	RM'000	RM'000
Revenue	11,662	8,477	42,370	51,014
Cost of sales	(327)	255	(478)	(11,136)
Gross profit	<u>11,335</u>	<u>8,732</u>	<u>41,892</u>	<u>39,878</u>
Operating expenses	(7,560)	(5,108)	(27,235)	(26,462)
Other operating income	43	368	875	699
Profit from operations	<u>3,818</u>	<u>3,992</u>	<u>15,532</u>	<u>14,115</u>
Gain on disposal of subsidiary/ associate	-	8	-	2,500
Finance cost, net of profit from short term placement	28	16	(166)	(540)
Profit before tax	<u>3,846</u>	<u>4,016</u>	<u>15,366</u>	<u>16,075</u>
Share of results from associate	-	-	-	101
Profit before tax and minority interest	<u>3,846</u>	<u>4,016</u>	<u>15,366</u>	<u>16,176</u>
Taxation	(1,488)	(1,006)	(5,148)	(4,295)
Profit after tax	<u>2,358</u>	<u>3,010</u>	<u>10,218</u>	<u>11,881</u>
Minority interest	(473)	(490)	(2,132)	(1,669)
Profit for the period	<u><u>1,885</u></u>	<u><u>2,520</u></u>	<u><u>8,086</u></u>	<u><u>10,212</u></u>
Basic earnings per share (sen)				
- before exceptional item based on weighted /number of shares in issue	<u>2.01</u>	<u>2.67</u>	<u>8.60</u>	<u>8.20</u>
- after exceptional item	<u>2.01</u>	<u>2.99</u>	<u>8.60</u>	<u>12.12</u>

Notes:

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the financial statements.

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

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2005**

(The figures have not been audited)

	As At End Of Current Quarter 31.12.05 RM'000	(Audited) As At Preceding Financial Year End 31.12.04 RM'000
<b>Property, plant and equipment</b>	27,973	28,002
<b>Goodwill</b>	12,378	11,520
<b>Current assets</b>		
Inventories	718	766
Receivables	8,223	10,866
Tax recoverable	794	666
Cash and cash equivalents	27,168	22,975
	<u>36,903</u>	<u>35,273</u>
<b>Current liabilities</b>		
Payables	7,464	5,293
Short term borrowings	247	504
Taxation	972	567
	<u>8,683</u>	<u>6,364</u>
<b>Net current assets</b>	28,220	28,909
	<u>68,571</u>	<u>68,431</u>
<b>Share capital</b>	47,000	47,000
<b>Share Premium</b>	304	344
<b>Revaluation reserve</b>	2,577	2,577
<b>Retained profit</b>	10,327	8,094
<b>Shareholders' funds</b>	<u>60,208</u>	<u>58,015</u>
<b>Minority interest</b>	3,780	2,787
<b>Long term borrowings</b>	993	3,721
<b>Deferred taxation</b>	3,590	3,908
	<u>68,571</u>	<u>68,431</u>
Net Assets per share (RM) based on the issued share capital	0.64	0.62

Notes :

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004 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 FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**(The figures have not been audited)**

	Share Capital	Non Distributable Share Premium	Distributable Revaluation Reserves	Distributable Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2004</b>	20,878	-	-	14,791	35,669
Revaluation Surplus			3,590		3,590
Bonus issues	17,922		(1,013)	(16,909)	-
Rights issues	4,700				4,700
Issue of ordinary shares for cash, net of share issue costs	3,500	344	-	-	3,844
Net profit for the year	-	-	-	10,212	10,212
<b>At 31 December 2004</b>	<b>47,000</b>	<b>344</b>	<b>2,577</b>	<b>8,094</b>	<b>58,015</b>
<b>At 1 January 2005</b>	47,000	344	2,577	8,094	58,015
Utilisation of Listing Expenses		(40)			(40)
Dividend				(5,853)	(5,853)
Profit for the year	-	-	-	8,086	8,086
<b>At 31 December 2005</b>	<b>47,000</b>	<b>304</b>	<b>2,577</b>	<b>10,327</b>	<b>60,208</b>

Notes :

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004.

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**(Unaudited)**

	Cumulative Current Year Quarter 31.12.05 RM'000	Cumulative Preceding Year Period 31.12.04 RM'000
<b>Net cash inflow from operating activities</b>	11,998	14,693
<b>Net cash outflow from investing activities</b>	(5,456)	(5,387)
<b>Net cash outflow from financing activities</b>	(2,349)	(885)
Net decrease in cash and cash equivalents	<u>4,193</u>	<u>8,421</u>
<b>Cash and cash equivalents at 1 January 2005/2004</b>	22,975	14,554
<b>Cash and cash equivalents at 31 December 2005/2004</b>	<u><u>27,168</u></u>	<u><u>22,975</u></u>

Notes :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2004 and the accompanying explanatory notes attached to the financial statements.

## **SELECTED EXPLANATORY NOTES**

### **1. Accounting Policies and Methods Of Computation**

The interim financial statements are unaudited and have been prepared in compliance with FRS 134 Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2004.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2004, except for the following:

a) Early adoption of Financial Reporting Standards (FRS) 3 for the first time during the financial period ended 30 September 2005 and the related accounting policy is as follows :-

#### **FRS 3: Business Combinations ( Extract)**

Goodwill acquired in a business combination should be measured at cost less any impairment losses.

Impairment test on goodwill to be performed at least annually even if there is no indication of impairment.

### **2. Audit Report**

The auditors' report on the financial statements for the year ended 31 December 2004 was not subject to any qualification

### **3. Seasonality or Cyclicity**

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

### **4. Unusual items due to their nature, size or incidence**

There were no unusual items due to their nature, size or incidence for the current period to date under review.

### **5. Estimates**

There were no changes to the estimates that have had a material effect in the current financial quarter under review.

**SELECTED EXPLANATORY NOTES**

**6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities**

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current period to date under review.

**7. Dividends**

The First and Final Dividend of 4.17 sen per share less tax at 28% was paid on 26 May 2005 to all shareholders on the Register of Members at the close of business at 12 May 2005.

The Board of Directors has on 3 August 2005 approved the payment of an interim dividend of 2.66 sen per share less tax 28% and paid on 29 August 2005 to all Shareholders on the Register of Members at the close of business at 22 August 2005.

**8. Segmental Reporting**

Segmental information is presented in respect of the Group's business segments:-

	Environmental Consulting & Eng. Services	Laboratory Testing Services	Others*	Elimination	Cumulative Quarter ended 31.12.05
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External revenue	30,070	12,300	-	-	42,370
Inter- segment revenue	-	3,330	12,783	(16,113)	-
Total revenue	<u>30,070</u>	<u>15,630</u>	<u>12,783</u>	<u>(16,113)</u>	<u>42,370</u>
<b>Results</b>					
Segment results/ Profit from operations	10,053	7,055	9,581	(11,156)	15,533
(Financing cost)/ profit from deposits, net	-	(162)	(4)	-	(166)
Taxation					<u>(5,149)</u>
Profit After Taxation					10,218
Minority Interest					<u>(2,132)</u>
Net profit for the year					<u>8,086</u>

\* The segment denotes as "others" includes the results of Progressive Impact Corporation Berhad ("the Company") and an investment holding subsidiary.

**SELECTED EXPLANATORY NOTES**

**9. Valuation of Property, Plant and Equipment**

Freehold and leasehold land and building are stated at valuation. Revaluations were made based on a valuation by an independent valuer on an open market value basis.

**10. Status of the application for Properties Title to be registered in the name of its owner**

Further to the condition imposed on the Company vide approval letter on the proposed flotation of PIC on the Second Board of the Bursa Malaysia Securities Berhad issued by the Securities Commission ("SC") dated 21 June 2004 ("Approval Letter"), to have the ownership on the Lot No. 64275 (formerly known as H.S (d) 142762 P.T no. 17707) Mukim of Damansara District of Petaling, Selangor be transferred and registered into the document of title ("Transfer") within 1 year from the date of the Approval Letter and subsequently SC has vide its letter dated 21 June 2005, granted a further extension of another 6 months till 20 December 2005 for the Company to complete the Transfer.

The ownership of the property has been successfully transferred to the name of ALS Technichem (M) Sdn Bhd, a subsidiary company of Progressive Impact Corporation Berhad.

**11. Subsequent Events**

There were no material events subsequent to the end of the reporting quarter.

**12. Change In The Composition of The Group**

There was no change in the composition of the Group for the current year to date except for the followings:-

(i) On 15 February 2005, the Company announced the incorporation of its new wholly owned subsidiary, ASMA Environmental Solutions Sdn. Bhd with an authorised ordinary share capital of RM 100,000 comprising 100,000 ordinary shares of RM 1.00 each, and paid-up ordinary share capital of RM 2.00 comprising 2 ordinary shares of RM 1.00 each for cash consideration. The new subsidiary would be principally involved in providing environmental engineering solutions.

(ii) On 1 March 2005, the Company announced the acquisition of 4 ordinary shares of RM 0.50 each representing 100% of the issued and paid up capital in PI Enviro Technologies Sdn. Bhd. ("PIET") for a total consideration of RM 2.00. The intended principal activity of PIET is the trading of high-end environmental monitoring and laboratory equipment.

(iii) On 10 May 2005, the Company announced the acquisition of 80% stake in P.T ALS Indonesia through its subsidiary ALS Technichem (M) Sdn. Bhd. for a total cash consideration of approximately RM 1.45 million. PIC will have 47.2% effective interest in P.T. ALS Indonesia via this acquisition.

**SELECTED EXPLANATORY NOTES**

**13. Contingent Liabilities and Contingent Assets**

There were no material changes in contingent liabilities and contingent assets of a material nature since the last audited financial statements for the year ended 31 December 2004.

**14. Capital Commitments**

Total outstanding capital commitments at the end of the current quarter is RM 0.55 Mil.

**15. Review Of Performance**

For the fourth quarter ended 31 December 2005, the Group recorded a revenue of RM11.6 million and profit before tax of RM3.85million. The revenues increased by 3% compared to the immediate preceding quarter .

The profit before tax has decreased from RM 4.53 million in the immediate preceding quarter to RM3.85 million for the fourth quarter. This is mainly due to year end provision of zakat expense and finance charges on the prepayment of term loan by ALS Technichem.

The Group recorded turnover and profit before taxation of RM42.37 million and RM15.37 million respectively for the year ended 31 December 2005 compared to RM51.01 million and RM16.18 million for the year ended 31 December 2004 respectively.

Excluding the revenue and profit before tax generated by the discontinued operation and also the exceptional gain earned in year 2004, year 2005 has recorded a growth in revenue and profit before tax of 8% and 21% respectively.

**16. Commentary Of Prospects**

With the continuing improvement in the world economic prospects, the performance outlook for year 2005 is envisaged to be favourable.

The Group is also expected to improve upon its results through increased efficiency in the Group's operation.

Barring unforeseen circumstances, the Group's performance for the coming financial year ending 31 December 2006 is expected to be good.



**SELECTED EXPLANATORY NOTES**

**17. Taxation**

	Current Year Quarter 31.12.05 RM'000	Current Year To Date 31.12.05 RM'000
Taxation comprise the following :		
Based on results for the period		
- Current taxation	1,488	5,148
Tax expense	<u>1,488</u>	<u>5,148</u>

The effective tax rate for the quarter under review was 33.5%, which was higher than the statutory income tax rate of 28% due to recognition of deferred tax liabilities and the difference between the capital allowance and depreciation amount.

**18. Unquoted Investments and/or Properties**

There were no sale of unquoted investments and/or properties for the current quarter and financial period to date.

**19. Purchase or Disposal of Quoted Securities**

(a) There were no purchases or disposals of quoted securities for the current quarter under review.

(b) There were no investments in quoted securities as at the end of the reporting period.

**20. Corporate Proposal**

a) There were no corporate proposals announced from the date of the last quarterly report to the date of this announcement.

**b) Utilisation of Listing Proceeds**

As at 31 December 2005, the proceeds arising from the rights issue and public issue of 4.7 million ordinary shares at an issue price of RM1.00 each ( this is prior to the share split where the existing shares of RM1.00 each was subsequently subdivided into ordinary shares of RM0.50 each) and 7.0 million shares at an issue price of RM0.75 each respectively pursuant to the listing of the Company on the Second Board of Bursa Malaysia Securities Berhad amounting to RM9.95 million were utilised as follows:

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**SELECTED EXPLANATORY NOTES**

	Proposed Utilisation of Proceed	Amount Utilised	Balance
Repayment of borrowings	6,000	(6,000)	-
Working Capital	2,450	(2,450)	-
Estimated listing expenses	1,500	(1,447)	54
	<u>9,950</u>	<u>(9,897)</u>	<u>54</u>

During the year to date, the Company has utilised additional of RM40,500 of its listing proceed.

**21. Group Borrowings and Debt Securities**

Total Group borrowings as at 31 December 2005 were as follows :-

	Secured RM'000	Unsecured RM'000	As at 31.12.05 Total RM'000
Short term borrowings			
- Local currency (RM)	247	-	247
Long term borrowings			
- Local currency (RM)	993	-	993
Total	<u>1,240</u>	<u>-</u>	<u>1,240</u>

The Company has fully settled the term loan for its properties located at No. 19 & 21 Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, 40150 Shah Alam and No. 18 Jalan Liku 8/B, Section 8, 40000 Shah Alam during the year.

**22. 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.

**23. Material litigation**

There are no changes to any material litigation since the last audited financial statement for the year ended 31 December 2004.

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

**SELECTED EXPLANATORY NOTES**

**24. Basis of calculation of earnings per share**

The basic earnings per share for the quarter and cumulative year to date are computed as follow:

	Individual Current Year Quarter 31.12.05	Cumulative Current Year To Date 31.12.05
Profit for the period (RM'000)	<u>1,885</u>	<u>8,086</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>94,000</u>	<u>94,000</u>
Basic Earnings Per Share (sen)	<u>2.01</u>	<u>8.60</u>

There is no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the reporting period.

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

Shah Alam  
22 February 2006