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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006
(The figures have not been audited)

	Individual Quarter		**Cumulative Quarter**	
	Current Year Quarter	Preceding Year Corresponding Quarter	**Current Year To Date**	Preceding Year Corresponding Period
	31.12.06	31.12.05	**31.12.06**	31.12.05
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**15,143**	11,652	**55,514**	42,360
Cost of sales	**(1,283)**	(1,666)	**(4,436)**	(1,817)
Gross profit	**13,860**	9,986	**51,078**	40,543
Other income	**298**	214	**1,076**	1,046
Staff Costs	**(3,926)**	(2,625)	**(12,734)**	(10,696)
Depreciation	**(1,144)**	(1,204)	**(4,545)**	(4,639)
Operating expenses	**(3,478)**	(2,659)	**(12,338)**	(10,828)
Finance Cost	**(14)**	(148)	**(428)**	(342)
		-		
Profit before taxation	**5,596**	3,648	**22,109**	15,084
Taxation	**(2,221)**	(775)	**(6,879)**	(4,435)
		-		
Profit for the period	**3,375**	2,789	**15,230**	10,649
		-		
Attributable to :				
Equity holders of the parents	**2,711**	2,481	**12,180**	8,682
Minority interest	**664**	308	**3,050**	1,967
		-		
Net Profit for the period	**3,375**	2,789	**15,230**	10,649
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen)	**2.88**	**2.64**	**12.96**	**9.24**

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005 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 2006
(The figures have not been audited)

	As At End Of Current Quarter 31.12.06 RM'000	(Audited) As At Preceding Financial Year End 31.12.05 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	**27,367**	26,698
Prepaid lease payment	**1,254**	1,276
Goodwill on consolidation	**13,507**	13,106
	42,128	41,080
Current assets		
Inventories	**827**	718
Trade receivables	**17,041**	5,295
Other receivables	**1,906**	2,218
Tax recoverable	**1,141**	1,145
Available for sale financial assets	**20**	20
Cash and cash equivalents	**26,024**	27,142
	46,959	36,538
TOTAL ASSETS	**89,087**	77,618
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	**47,000**	47,000
Share Premium	**304**	304
Other reserves	**2,577**	2,563
Retained profit	**19,293**	12,873
	69,174	62,740
Minority interest	**6,718**	3,668
Total equity	**75,892**	66,408
Non Current Liabilities		
Long term borrowings	**180**	992
Deferred taxation	**3,308**	3,588
	3,488	4,580
Current liabilities		
Trade payables	**3,342**	1,425
Other payables	**4,411**	4,528
Short term borrowings	**240**	240
Taxation	**1,714**	437
	9,707	6,630
Total Liabilities	**13,195**	11,210
TOTAL EQUITY AND LIABILITIES	**89,087**	77,618
Net assets per share attributable to equity holders of the parent (RM)	**0.74**	0.67

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005 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 2006
(The figures have not been audited)

	Non Distributable			Distributable		Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2006	47,000	304	2,559	12,873	62,736	3,672	66,408
Amount recognised directly in equity:					-		-
Foreign exchange fluctuation	-	-	18	-	18	(4)	14
Net Profit for the financial period				12,180	12,180	3,050	15,230
					-		-
Dividend				(5,760)	(5,760)		(5,760)
Balance at 31 December 2006	47,000	304	2,577	19,293	69,174	6,718	75,892
				19,293			

	Non Distributable			Distributable		Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1/1/2005	47,000	344	2,577	8,094	58,015	2,787	60,802
Net profit for the financial period	-	-	-	720	720	-	720
							-
At 1 January 2005 (restated)	47,000	344	2,577	8,814	58,735	1,701	60,436
Amount recognised directly in equity:							
Foreign exchange fluctuation	-	-	(18)	-	(18)	4	(14)
Net Profit for the financial period				8,681	8,681	1,967	10,648
Utilisation of listing proceed		(40)			(40)		(40)
Dividend				(4,622)	(4,622)		(4,622)
Balance at 31 December 2005	47,000	304	2,559	12,873	62,736	3,672	66,408

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006
(Unaudited)

	Cumulative Current Year Quarter 31.12.06 RM'000	**Cumulative Preceding Year** Period 31.12.05 RM'000
Net cash inflow from operating activities	5,328	17,981
Net cash outflow from investing activities	(5,634)	(4,929)
Net cash outflow from financing activities	(812)	(8,888)
Net increase in cash and cash equivalents	(1,118)	4,164
Cash and cash equivalents at 1 January 2006/2005	27,142	22,859
Cash and cash equivalents 31 December 2006/2005	26,024	27,023

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	26,024	27,142
Bank Overdraft	-	-
Less: Deposits with licensed banks pledged as collateral		(119)
	26,024	27,023

Notes :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2005 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 accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. 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 2005.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of all FRS mentioned above does not have significant financial impact on the Group. The principal effects of the changes of some accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period,showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

FRS 121: The Effects of Changes in Foreign Exchange Rates

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

Under the revised FRS 121, exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are to be recognised in profit or loss in the consolidated financial statements.

Previously, such exchange differences were taken to equity. This change in accounting policy has been accounted for retrospectively and has resulted in the following:

	As at 31.12.2006 RM'000	As at 1.1.2006 RM'000
Decrease in retained earnings	14	-
Increase in foreign exchange reserve (included within other reserves)	14	-

	12 months ended 31.12.2006 RM'000	31.12.2005 RM'000
Increase in profit for the period	36	-

2. Changes in Accounting Policy (cont'd)

(b) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

As of 1 January 2006, any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are now treated as assets and liabilities of the foreign operation and translated at the closing rate. In accordance with the transitional provisions of FRS 121, this change is applied prospectively. Goodwill acquired in business combinations prior to 1 January 2006 and fair value adjustments arising on those acquisitions are deemed to be assets and liabilities of the parent company and were translated using the exchange rate at the dates of acquisitions.

There is no significant impact of the adoption of FRS 3: Business Combinations and in consequential amendments to two other accounting standards as the Company has ceased to amortise the goodwill in financial ended 31 December 2005 to provide fairer presentation of the value of the goodwill.

FRS 139: Financial Instruments: Recognition and Measurement

This FRS sets out the new requirements for the recognition, derecognition and measurement of the Group’s financial instruments and hedge accounting. All financial assets are required to be classified into appropriate categories at initial recognition and the categorisations are re-evaluated at every reporting date. The categories are:

(i) Available-for-sale (“AFS”) financial assets

AFS financial assets are those non-derivative financial assets that are designated as available for-sale or are not classified in any of the three preceding categories. Such assets are initially recognised at its fair value including transaction costs and subsequently measured at fair value at the balance sheet date with all gains and losses other than impairment loss taken to equity. Impairment losses are recognised in profit or loss in the period it arises.

On disposal,gains and losses previously taken to equity are recognised in profit or loss. Any reversal of an impairment loss in respect of a debt instrument classified as AFS financial assets is recognised in profit or loss. An impairment loss in respect of an investment in an equity instrument classified as AFS financial assets is not reversed through profit or loss. Prior to 1 January 2006, such investments were accounted for at cost less impairment losses for diminution in value that was other than temporary, which was recognised in profit or loss when they arose. Any reversal of the impairment loss was also recognised in profit or loss.

SELECTED EXPLANATORY NOTES

3. COMPARATIVES

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	Previously stated RM'000	Adjustment FRS 116 RM'000	Restated RM'000
At 31 December 2005			
Property, plant and equipment	27,974	(1,276)	26,698
Prepaid lease payments	-	1,276	1,276

The following amounts as at 31 December 2005 have been reclassified due to the adoption of FRS 139

	Previously stated	Reclassification	Restated
Other investments	20	(20)	-
Available-for-sale financial assets	-	20	20

4. Audit Report

The auditors' report on the financial statements for the year ended 31 December 2005 was not qualified.

5. Seasonality or Cyclicality

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

6. 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 31 December 2006.

SELECTED EXPLANATORY NOTES

7. Changes in Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group shall revised the residual values of certain buildings and the estimated useful lives of certain plant and machineries with effect from 1 January 2006. The revisions will be accounted for as change of accounting estimates.

8. 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.

9. Dividends

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2006 of 2.95 sen per share less tax at 27% and a tax exempt dividend of 1.24 sen per share on 94,000,000 ordinary shares, amounting to a dividend payable of RM3,200,000 (3.40 sen net per ordinary shares) will be proposed for shareholders' approval.

The current quarter report do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the second quarter report of the financial year ended 31 December 2007.

SELECTED EXPLANATORY NOTES

10. Segmental Information

(a) Business Segments

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

	Environmental Consulting & Eng. Services	Laboratory Testing Services	Others*	Elimination	Cumulative Quarter ended 31.12.06
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
External revenue	37,114	18,401		-	55,515
Inter- segment revenue		3,589	16,386	(19,975)	-
Total revenue	37,114	21,990	16,386	(19,975)	55,515
Segment Results					
Segment results/ Profit from operations	13,232	10,363	12,966	(14,678)	21,883
(Financing cost)/ profit from deposits, net	436	(325)	115	-	226
Taxation	(3,892)	(3,027)	(3,992)	4,032	(6,879)
Profit After Taxation					15,230
Minority Interest					3,050
Net profit for the year					12,180

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

11. 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.

12. Subsequent Events

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

SELECTED EXPLANATORY NOTES

13. Change In The Composition of The Group

There was no change in the composition of the Group for the current quarter since the last audited financial statements ended 31 December 2005 except for the acquisition of the following:-

(i) The Company has announced on 19 June 2006, the acquisition of 100% stake in Perunding Good Earth Sdn Bhd for a total cash consideration of RM420,000;

(ii) The Company has announced on 10 August 2006, the acquisition of 100% stake in Novosh Dynamics Sdn Bhd through its wholly owned subsidiary Perunding Good Earth Sdn Bhd for a total cash consideration of RM100,000.

14. 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 2005.

15. Capital Commitments

Total outstanding approved capital commitments not contracted for at the end of the quarter is RM4.29 million.

16. Performance Review

For the fourth quarter ended 31 December 2006, the Group recorded a revenue of RM 15.14 million and profit before tax of RM 6.12 million. The revenues increased by 4.28% compared to the immediate preceeding quarter.

The profit before tax (PBT) has increased from RM 5.77 million in the immediate preceeding quarter to RM6.12 million for the fourth quarter. The growth in the revenue and the PBT has been mainly contributed by the Laboratory Testing Services segment.

The Group recorded turnover and profit before taxation of RM55.51 million and RM22.10 million respectively for the period ended 31 December 2006 compared to RM42.36 million and RM15.08 million for the preceding year corresponding period ended 31 December 2005 respectively.

The revenue and profit before tax has increased by 31% and 46.55% respectively compared to preceeding year corresponding period. This is mainly due to the increase of revenues from both the Environmental Consultancy and Laboratory Testing services segments.

SELECTED EXPLANATORY NOTES

17. Comment on Material Change in Profit Before Taxation

There is no material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter.

18. Commentary On Prospects

With the continuing improvement in the world economic prospects, the performance outlook for year 2006 is envisaged to be favourable.

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

19. Taxation

	12 months ended	
	31.12.06	31.12.05
	RM'000	RM'000
Taxation comprise the following :		
Current tax:		
- Malaysia Income Tax	6,537	4,241
- Foreign Tax	342	194
Tax expense	6,879	4,435

The effective tax rate for the year under review was 30.3 % which is higher than the statutory tax rate pricipally due to the higher tax effective rate for the subsidiary in Indonesia and certain expenses which are not deductable for tax purposes.

20. Sale of Unquoted Investments and/or Properties

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

21. 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.

22. Corporate Proposals

Status of Corporate Proposal

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

23. Borrowings

Total Group borrowings as at 31 December 2006 were as follows :-

	As at 31.12.2006 RM'000	As at 31.12.05 RM'000
Short term borrowings		
- Secure	240	240
Long term borrowings		
- Secure	180	992
Total	420	1,232

SELECTED EXPLANATORY NOTES

24. 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.

25. Changes in Material Litigation

There are no changes to any material litigation since the last audited financial statement for the year ended 31 December 2005.

26. Basis of calculation of earnings per share

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

	3months ended		12months ended	
	Current Year Quarter	Corresponding Quarter	Current Year To Date	Corresponding Period
	31.12.06	31.12.05	31.12.06	31.12.05
	RM'000	RM'000	RM'000	RM'000
Profit for the period (RM'000)	2,711	2,481	12,180	8,682
Number of ordinary shares of RM0.50 each in issue ('000)	94,000	94,000	94,000	94,000
Basic Earnings Per Share (sen)	2.88	2.64	12.96	9.24

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
28 February 2007