

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2007**  
(The figures have not been audited)

	Individual Quarter Preceding Year		Cumulative Quarter Preceding Year	
	Current Year Quarter 31.03.2007	Corresponding Quarter 31.03.2006	Current Year To Date 31.03.2007	Corresponding Period 31.03.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	13,575	12,488	13,575	12,488
Cost of sales	(1,226)	(862)	(1,226)	(862)
Gross profit	<u>12,349</u>	<u>11,626</u>	<u>12,349</u>	<u>11,626</u>
Other income	254	110	254	110
Staff Costs	(3,303)	(2,494)	(3,303)	(2,494)
Depreciation	(1,077)	(1,161)	(1,077)	(1,161)
Operating expenses	(2,640)	(2,781)	(2,640)	(2,781)
Profit from operations	<u>5,583</u>	<u>5,300</u>	<u>5,583</u>	<u>5,300</u>
Financing Cost	9	(28)	9	(28)
Profit before tax	<u>5,592</u>	<u>5,272</u>	<u>5,592</u>	<u>5,272</u>
Taxation	(1,483)	(1,525)	(1,483)	(1,525)
Profit for the period	<u><u>4,109</u></u>	<u><u>3,747</u></u>	<u><u>4,109</u></u>	<u><u>3,747</u></u>
<b>Attributable to :</b>				
Equity holders of the parents	3,158	2,916	3,158	2,916
Minority interest	951	831	951	831
Profit for the period	<u><u>4,109</u></u>	<u><u>3,747</u></u>	<u><u>4,109</u></u>	<u><u>3,747</u></u>
<b>Earnings per share attributable to equity holders of the parent</b>				
<b>Basic earnings per share (sen)</b>	<u><u>3.36</u></u>	<u><u>3.10</u></u>	<u><u>3.36</u></u>	<u><u>3.10</u></u>

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 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 MARCH 2007**

(The figures have not been audited)

	As At End Of Current Quarter 31.03.2007 RM'000	(Audited) As At Preceding Financial Year End 31.12.2006 RM'000
<b>ASSETS</b>		
<b>Non - Current assets</b>		
Property, plant and equipment	24,075	25,114
Investment property	3,843	3,843
Goodwill on consolidation	13,700	13,700
	41,618	42,657
<b>Current assets</b>		
Inventories	1,241	805
Trade receivables	12,472	15,315
Other receivables	4,551	2,765
Tax recoverable	529	529
Available for sale financial assets	20	20
Cash and cash equivalents	33,428	25,829
	52,241	45,263
<b>TOTAL ASSETS</b>	93,859	87,920
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	47,000	47,000
Share Premium	304	304
Other reserves	1,500	1,500
Retained profit	25,523	22,365
	74,327	71,169
<b>Minority interest</b>	6,629	5,678
<b>Total equity</b>	80,956	76,847
<b>Non Current Liabilities</b>		
Long term borrowings	-	21
Deferred taxation	2,456	2,783
	2,456	2,804
<b>Current liabilities</b>		
Trade payables	3,197	1,349
Other payables	6,095	5,490
Short term borrowings	-	240
Taxation	1,155	1,190
	10,447	8,269
<b>Total Liabilities</b>	12,903	11,073
<b>TOTAL EQUITY AND LIABILITIES</b>	93,859	87,920
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.79	0.76

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 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 FIRST QUARTER ENDED 31 MARCH 2007**  
(The figures have not been audited)

	Non Distributable		Other Reserves	Distributable	Total	Minority Interest	Total Equity
	Share Capital	Share Premium		Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM	RM
<b>At 1 January 2007</b>	47,000	304	1,499	22,365	71,168	5,678	76,846
Amount recognised directly in equity	-	-	-	-	-	-	-
Profit for the period	-	-	-	3,158	3,158	951	4,109
Total recognised income and expense for the period				3,158	3,158	951	4,109
Dividend					-		
<b>At 31 March 2007</b>	<b>47,000</b>	<b>304</b>	<b>1,499</b>	<b>25,523</b>	<b>74,326</b>	<b>6,629</b>	<b>80,955</b>
<b>At 1 January 2006</b>	47,000	304	2,563	12,873	62,740	3,668	66,408
Effects of adopting:					-		-
FRS 3				196	196		196
FRS 140			(1,097)	1,671	574		574
	47,000	304	1,466	14,740	63,510	3,668	67,178
Foreign exchange reserve:							
Group			33		33	8	41
Net income recognised directly in equity			33		33	8	41
Profit for the year				12,153	12,153	3,232	15,385
Total recognised income and expense for the year	-	-	33	12,153	12,186	3,240	15,426
Dividends				(4,528)	(4,528)	(1,230)	(5,758)
<b>At 31.12.2006</b>	<b>47,000</b>	<b>304</b>	<b>1,499</b>	<b>22,365</b>	<b>71,168</b>	<b>5,678</b>	<b>76,846</b>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006.

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2007**  
(Unaudited)

	Cumulative Current Year Quarter 31.03.2007 RM'000	Cumulative Preceding Year Period 31.03.2006 RM'000
<b>Net cash inflow from operating activities</b>	8,225	(2,004)
<b>Net cash outflow from investing activities</b>	(365)	(615)
<b>Net cash outflow from financing activities</b>	(261)	(171)
Net decrease in cash and cash equivalents	<u>7,599</u>	<u>(2,790)</u>
<b>Cash and cash equivalents at 1 January 2007/2006</b>	25,829	27,142
<b>Cash and cash equivalents 31 March 2007/2006</b>	<u><u>33,428</u></u>	<u><u>24,352</u></u>

Notes :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2006 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 2006. 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 2006.

**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 2006.

**3. Audit Report**

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

**4. Seasonality or Cyclicity**

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

**5. 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 March 2007.

**6. Changes in Estimates**

The adoption of FRS 140 has resulted in identification of properties that meets the definition of investment properties but were previously classified within property, plant and equipment. Prior to 1 January 2006, these investment properties were stated at valuation. Revaluations were carried out once every five years and any revaluation increases is taken to equity as a revaluation surplus. The investment properties were last revalued in 2004. Upon the adoption of FRS 140, investment properties are now stated at fair value and gains and losses arising from changes in fair values are recognised in profit or loss in the year in which they arise.

**SELECTED EXPLANATORY NOTES**

**7. 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.

**8. Dividends**

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December 2006, of 2.95 sen per share less 27% taxation and 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 share) will be proposed for shareholders' approval. The financial statements for the current financial year 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.

**9. 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 31.03.2007
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>					
External revenue	8,787	4,788		-	13,575
Inter- segment revenue		804	399	(1,203)	-
Total revenue	<u>8,787</u>	<u>5,592</u>	<u>399</u>	<u>(1,203)</u>	<u>13,575</u>
<b>Segment Results</b>					
Segment results/ Profit from operations	3,072	2,774	(263)	-	5,583
(Financing cost)/ profit from deposits, net	9	-	-	-	9
Taxation					<u>(1,483)</u>
Profit After Taxation					4,109
Minority Interest					<u>(951)</u>
Net profit for the year					<u>3,158</u>

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

**SELECTED EXPLANATORY NOTES**

**10. 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.

**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 quarter since the last audited financial statements ended 31 December 2006 except that the Company has announced on 30 March 2007, that its wholly-owned subsidiary, Perunding Good Earth Sdn. Bhd., has disposed its entire interests representing 50,002 ordinary shares of RM1.00 each in the capital of Novosh Dynamics Sdn. Bhd. to Alam Sekitar Malaysia Sdn. Bhd., another wholly-owned subsidiary of the Company, for a total cash consideration of RM100,000.

**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 2006.

**14. Capital Commitments**

Total outstanding approved capital commitments not contracted for at the end of the current quarter is RM5.28 million.

**SELECTED EXPLANATORY NOTES**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**1. Performance Review**

For the first quarter ended 31 March 2007, the Group recorded a revenue of RM 13.58 million and profit before tax of RM 5.59million. The revenues decreased by 10.35% compared to the immediate preceding quarter. Mainly due to completion of certain overseas project by last quarter of 2006.

The profit before tax (PBT) in the first quarter has maintained at RM 5.60 million compared to the immediate preceding quarter.

The Group recorded turnover and profit before taxation of RM13.58 million and RM5.59 million respectively for the period ended 31 March 2007 compared to RM12.49 million and RM5.72 million for the preceding year corresponding period ended 31 March 2006 respectively.

The revenue and profit before tax has increased by 8.70% and 6.07% respectively compared to preceding year corresponding period. This is mainly due to the increase of revenues from both the Environmental Consultancy and Laboratory Testing services segments.

**2. 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.

**3. Commentary On Prospects**

With the continuing improvement in the world economic prospects, the performance outlook for year 2007 is envisaged to be favourable.

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

**4. Taxation**

	3 months ended	
	31.03.07	31.03.06
	RM'000	RM'000
Taxation comprise the following :		
Current tax:		
- Malaysia Income Tax	1,147	1,523
- Foreign Tax	336	2
Tax expense	<u>1,483</u>	<u>1,525</u>

The effective tax rate for the quarter under review was 27% which is in line with current statutory rate.

**SELECTED EXPLANATORY NOTES**

**5. 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.

**6. 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.

**7. 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.

**8. Borrowings**

Total Group borrowings as at 31 March 2007 were as follows :-

	As at 31.03.07 RM'000	As at 31.12.06 RM'000
Short term borrowings		
- Secure	-	240
Long term borrowings		
- Secure	-	21
Total	-	261

**SELECTED EXPLANATORY NOTES**

**9. 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.

**10. Changes in Material Litigation**

There are no changes to any material litigation since the last audited financial statement for the year ended 31 December 2006.

**11. 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 31.03.07	Cumulative Current Year To Date 31.03.07
Profit for the period (RM'000)	<u>3,158</u>	<u>3,158</u>
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>3.36</u>	<u>3.36</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  
30 April 2007