

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007
(The figures have not been audited)

	Individual Quarter Preceding Year		Cumulative Quarter Preceding Year	
	Current Year Quarter 30.09.2007	Corresponding Quarter 30.09.2006	Current Year To Date 30.09.2007	Corresponding Period 30.09.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	15,927	14,521	44,650	40,371
Cost of sales	(1,710)	(1,354)	(4,284)	(3,153)
Gross profit	<u>14,217</u>	<u>13,167</u>	<u>40,366</u>	<u>37,218</u>
Other income	271	54	860	340
Staff Costs	(3,870)	(3,325)	(10,796)	(8,808)
Depreciation	(1,006)	(1,119)	(3,086)	(3,401)
Operating expenses	(3,388)	(3,026)	(9,687)	(8,860)
Profit from operations	<u>6,224</u>	<u>5,751</u>	<u>17,657</u>	<u>16,489</u>
Financing Cost	-	16	-	24
Profit before tax	<u>6,224</u>	<u>5,767</u>	<u>17,657</u>	<u>16,513</u>
Taxation	(1,594)	(1,640)	(4,592)	(4,658)
Profit for the period	<u><u>4,630</u></u>	<u><u>4,127</u></u>	<u><u>13,065</u></u>	<u><u>11,855</u></u>
Attributable to :				
Equity holders of the parents	3,332	3,214	9,760	9,469
Minority interest	1,298	913	3,305	2,386
Profit for the period	<u><u>4,630</u></u>	<u><u>4,127</u></u>	<u><u>13,065</u></u>	<u><u>11,855</u></u>
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen)	<u><u>3.54</u></u>	<u><u>3.42</u></u>	<u><u>10.38</u></u>	<u><u>10.07</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 30 SEPTEMBER 2007
(The figures have not been audited)

	As At End Of Current Quarter 30.09.2007 RM'000	(Audited) As At Preceding Financial Year End 31.12.06 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	21,932	25,114
Investment property	3,843	3,843
Goodwill on consolidation	13,700	13,700
	39,475	42,657
Current assets		
Inventories	998	805
Trade receivables	11,944	15,315
Other receivables	5,666	2,765
Tax recoverable	128	529
Available for sale financial assets	20	20
Cash and cash equivalents	32,627	25,829
	51,383	45,263
TOTAL ASSETS	90,858	87,920
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	47,000	47,000
Share Premium	212	304
Other reserves	1,500	1,500
Retained profit	25,952	22,365
	74,664	71,169
Minority interest	8,983	5,678
Total equity	83,647	76,847
Non Current Liabilities		
Long term borrowings	-	21
Deferred taxation	2,203	2,783
	2,203	2,804
Current liabilities		
Trade payables	2,501	1,349
Other payables	1,821	5,490
Short term borrowings	-	240
Taxation	686	1,190
	5,008	8,269
Total Liabilities	7,211	11,073
TOTAL EQUITY AND LIABILITIES	90,858	87,920
Net assets per share attributable to equity holders of the parent (RM)	0.79	0.76

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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 THIRD QUARTER ENDED 30 SEPTEMBER 2007
(The figures have not been audited)

	Share Capital	Non Distributable Share Premium	Other Reserves	Distributable Retained Profits	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM	RM
At 1 January 2007	47,000	304	1,499	22,365	71,168	5,678	76,846
Amount recognised directly in equity	-	(92)	-	-	(92)	-	(92)
Profit for the period	-	-	-	9,760	9,760	3,305	13,065
Total recognised income and expense for the period				9,760	9,760	3,305	13,065
Dividend				(6,173)	(6,173)		(6,173)
At 30 September 2007	47,000	212	1,499	25,952	74,663	8,983	83,646
At 1 January 2006	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)
At 31 December 2006	47,000	304	1,499	22,365	71,168	5,678	76,846

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 THIRD QUARTER ENDED 30 SEPTEMBER 2007
(Unaudited)

	Cumulative Current Year Quarter 30.09.2007 RM'000	Cumulative Preceding Year Period 30.09.2006 RM'000
Net cash inflow from operating activities	7,055	1,309
Net cash outflow from investing activities	(929)	(4,797)
Net cash outflow from financing activities	(261)	(539)
Net decrease in cash and cash equivalents	<u>5,865</u>	<u>(4,027)</u>
Cash and cash equivalents at 1 January 2007/2006	25,829	27,142
Cash and cash equivalents 30 September 2007/2006	<u><u>31,694</u></u>	<u><u>23,115</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 30 September 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.

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.

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

SELECTED EXPLANATORY NOTES

8. Dividends

The Board of Directors has on 17 August 2007 approved the payment of an interim dividend of 3.75 sen per share less 27% taxation and has been paid on 7 September 2007 to all shareholders on the Register of Members at the close of business at 4 September 2007.

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 30.09.2007
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
External revenue	27,395	17,127	20,130	(20,002)	44,650
Inter- segment revenue		3,271		(3,271)	-
Total revenue	<u>27,395</u>	<u>20,398</u>	<u>20,130</u>	<u>(23,273)</u>	<u>44,650</u>
Segment Results					
Segment results/ Profit from operations	9,143	9,816	17,306	(18,608)	17,657
(Financing cost)/ profit from deposits, net	-	-	-	-	-
Taxation					(4,592)
Profit After Taxation					<u>13,065</u>
Minority Interest					<u>(3,305)</u>
Net profit for the year					<u>9,760</u>

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

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.

SELECTED EXPLANATORY NOTES

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 on 16 June 2007, a joint venture company between ASMA International Sdn. Bhd. ("AISB") (formerly known as ASMA Environmental Solution Sdn. Bhd. ("AES")) and Dr. Fadil Fouad Basyoni known as Saudi ASMA Environmental Solutions LLC ("SAES") has been established with the objective to provide environmental consultancy and monitoring services and other relevant environmental aspects of services in the Kingdom of Saudi Arabia. AISB has 49% equity holding and 70% profit/loss sharing in SAES respectively.

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 RM3.83 million.

SELECTED EXPLANATORY NOTES

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Performance Review

For the third quarter ended 30 September 2007, the Group recorded a revenue of RM 15.93 million in which 5% higher as compared to the second quarter ended 30 June 2007 of RM15.15 million and approximately 10% higher as compared to the preceding year corresponding period ended 30 September 2006 of RM14.52 million.

For the third quarter ended 30 September 2007, the Group's profit before tax was RM 6.22 million in which 6% higher as compared to the second quarter ended 30 June 2007 of RM5.85 million and 8% higher as compared to the preceding corresponding period ended 30 September 2006 of RM5.77 million.

The increase in revenue and profit before tax recorded for the period ended 30 September 2007 above is mainly contributed by the growth in revenue by the laboratory testing services segment.

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

- (a) With the continuing improvement in the world economic prospects, the performance outlook for year 2007 is envisaged to be favourable.
The Group expects to improve upon its results through increased efficiency in the Group's operation.
- (b) The Company has forecasted an internal targets of at least 30% increase in net profit for the year based on the Group's continuous business planning process taking into consideration the preceding year results and also the Group's 2007 strategy for expansion of overseas business and business diversification into respective areas as disclosed in the Group's press release dated 28 February 2007.

However, due to the delay of approval from the relevant Authorities in the Kingdom of Saudi Arabia for the incorporation of the joint venture Company named Saudi Asma Environmental Solutions LLC ("SAES"), we envisage that there will be delays for SAES to secure its targeted revenues and thus, this will in turn reduce the Group's targeted net profit growth.

4. Current Status of the Joint Venture Company established in the Kingdom of Saudi Arabia

SAES has pursued for several environmental monitoring projects in the Kingdom of Saudi Arabia by submitting a few proposals and participating in tenders with the Government Agencies and also private sectors.

SAES has received a Letter of Award for value approximately RM12,394,781 from Jeddah Municipality via Excellent Total Environmental Solutions & Services Est. ("ETESS"). ETESS is a company own 100% by Dr. Fadil Fouad Basyoni, the 51% equity shareholder of SAES. ETESS is subcontracting the whole contract amount to SAES.

The contract is for a period of 3 years commencing 27 November 2007.

SELECTED EXPLANATORY NOTES

5. Taxation

	9 months ended	
	30.09.07	30.09.06
	RM'000	RM'000
Taxation comprise the following :		
Current tax:		
- Malaysia Income Tax	4,256	4,654
- Foreign Tax	336	4
Tax expense	<u>4,592</u>	<u>4,658</u>

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

6. 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.

7. 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.

8. Corporate Proposals

Status of Corporate Proposal

The Company has announced on 12 July 2007 of the following proposals:

- Proposed bonus issue of 37,600,000 new ordinary shares of RM0.50 each in PICORP ("**Bonus Shares**"), to be credited as fully paid-up on the basis of two (2) new Bonus Share for every five (5) existing ordinary shares of RM0.50 each in PICORP ("**PICORP Shares**") held on an entitlement date to be determined and announced later ("**Proposed Bonus Issue**");
- Proposed share split involving subdivision of every one (1) existing PICORP Share held after the Proposed Bonus Issue into five (5) new ordinary shares of RM0.10 each in PICORP ("**Subdivided PICORP Shares**") ("**Proposed Share Split**");
- Proposed transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of PICORP from the Second Board to the Main Board of Bursa Securities ("**Proposed Transfer**"); and
- Proposed amendments to the memorandum and articles of association ("**M & A**") of PICORP ("**Proposed Amendments to M & A**").

SELECTED EXPLANATORY NOTES

8. Corporate Proposals (continued)

The Company has submitted its application for the above proposals to the relevant Authorities on 27 July 2007. The proposals have been approved by the Securities Commission ("SC") under Section 32(5) of the Securities Commission 1993 Act ("SCA") on 27 August 2007 with the terms and conditions are as follows:-

- **Terms**

- (i) Subdivision of every existing ordinary share of RM0.50 each in PICORP into five (5) ordinary shares of RM0.10 each ("**Proposed Share Split**"); and
- (ii) Transfer of the listing of and quotation for the entire issued and paid-up share capital of PICORP, from the Second Board to the Main Board of Bursa Malaysia Securities Berhad ("**Proposed Transfer**").

- **Conditions**

- (i) MIMB Investment Bank Berhad ("**MIMB**") and PICORP to fully comply with all relevant requirements stipulated in the Policies and Guidelines on Issue/Offer of Securities pertaining to the implementation of the Proposed Share Split and Proposed Transfer; and
- (ii) MIMB and PICORP to inform the SC upon completion of the Proposed Share Split and Proposed Transfer.

The Company has received the clearance from Bursa Malaysia Securities Berhad ("**Bursa Securities**") via MIMB on 24 October 2007 on the draft Circular of the above application.

9. Borrowings

Total Group borrowings as at 30 September 2007 were as follows :-

	As at 30.09.07 RM'000	As at 31.12.06 RM'000
Short term borrowings		
- Secure	-	240
Long term borrowings		
- Secure	-	21
Total	<u>-</u>	<u>261</u>

10. 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.

11. 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.

SELECTED EXPLANATORY NOTES

12. 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 30.09.07	Cumulative Current Year To Date 30.09.07
Profit for the period (RM'000)	<u>3,332</u>	<u>9,760</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>3.54</u>	<u>10.38</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
28 November 2007