

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2008**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Preceding Year	Corresponding Quarter	Preceding Year	Corresponding Period
	Current Year Quarter 30.06.2008	Current Year Quarter 30.06.2007	Current Year To Date 30.06.2008	Current Year To Date 30.06.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	15,848	15,148	30,743	28,723
Cost of sales	(2,463)	(1,348)	(3,892)	(2,574)
Gross profit	13,385	13,800	26,851	26,149
Other income	423	335	574	589
Staff Costs	(4,290)	(3,623)	(7,825)	(6,926)
Depreciation	(1,021)	(1,003)	(2,031)	(2,080)
Operating expenses	(3,901)	(3,668)	(6,924)	(6,299)
Profit from operations	4,596	5,841	10,645	11,433
Financing Cost	-	-	-	-
Share of loss of associated company	(427)	-	(577)	-
Profit before tax	4,169	5,841	10,068	11,433
Taxation	(1,495)	(1,515)	(3,147)	(2,998)
Net profit for the period	2,674	4,326	6,921	8,435
Attributable to :				
Equity holders of the parents	2,143	3,270	5,350	6,428
Minority interest	531	1,056	1,571	2,007
Net profit for the period	2,674	4,326	6,921	8,435
<b>Earnings per share attributable to equity holders of the parent</b>				
Basic earnings per share (sen) *	0.33	0.50	0.81	0.98

\* In order to provide a comparable results, the corresponding period and quarter's earnings per share has been calculated base on the number of shares in issue after the bonus issue and share split exercise during the year.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 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 JUNE 2008  
(The figures have not been audited)

	(Audited)
	As At
	Preceding
	Financial
	Year End
	31.12.2007
	RM'000
	RM'000
As At End	
Of Current	
Quarter	
30.06.2008	

ASSETS

<b>Non - Current assets</b>		
Property, plant and equipment	48,308	23,654
Investment property	3,843	3,843
Other investment	8,507	-
Prepaid lease payment	438	450
Goodwill on consolidation	16,301	13,700
	77,397	41,647
<b>Current assets</b>		
Inventories	2,061	972
Trade receivables	13,657	10,431
Other receivables	9,400	2,695
Tax recoverable	2,053	2,045
Available for sale financial assets	20	20
Cash and cash equivalents	16,781	39,515
	43,972	55,678
<b>TOTAL ASSETS</b>	121,369	97,325

EQUITY AND LIABILITIES

Equity attributable to the equity holders of the parent

Share capital	65,800	47,000
Share Premium	143	170
Other reserves	1,785	1,296
Retained profit	12,241	29,569
	79,969	78,035
Minority interest	13,962	7,406
Total equity	93,931	85,441

Non Current Liabilities

Long term borrowings	12,600	-
Deferred taxation	3,164	3,133
	15,764	3,133

Current liabilities

Trade payables	3,343	1,469
Other payables	6,970	6,227
Short term borrowings	-	-
Taxation	1,361	1,055
	11,674	8,751

Total Liabilities

27,438 11,884

TOTAL EQUITY AND LIABILITIES

121,369 97,325

Net assets per share attributable to equity holders of the parent (RM)

0.12 0.83

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 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 SECOND QUARTER ENDED 30 JUNE 2008  
(The figures have not been audited)

	Non Distributable			Distributable			Minority Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	RM'000		
At 1 January 2007	47,000	303	1,500	22,365	71,168	5,678	76,846	
Foreign exchange reserve	-	-	(290)	-	(290)	(129)	(419)	
Expenses for bonus issue and share split exercise	-	(133)	-	-	(133)	-	(133)	
Reversal of deferred taxation	-	-	86	-	86	-	86	
Net expenses recognised directly in equity	-	(133)	(204)	-	(337)	(129)	(466)	
Profit for the year	-	-	-	12,967	12,967	3,497	16,464	
Total recognised income and expenses for the year	-	(133)	(204)	12,967	12,630	3,368	15,998	
Dividend	-	-	-	(5,763)	(5,763)	(1,640)	(7,403)	
At 31 December 2007	47,000	170	1,296	29,569	78,035	7,406	85,441	
At 1 January 2008	47,000	170	1,296	29,569	78,035	7,406	85,441	
Foreign exchange reserve	-	-	489	(372)	117	414	531	
Expenses for bonus issue and share split exercise	-	(27)	-	-	(27)	-	(27)	
Net expenses recognised directly in equity	-	(27)	489	(372)	90	414	504	
Profit for the period	-	-	-	5,350	5,350	1,571	6,921	
Total recognised income and expense for the period	-	(27)	489	4,978	5,440	1,985	7,425	
Minority interest of subsidiary acquired	-	-	-	-	-	-	-	
Bonus issue & share split	18,800	-	-	(18,800)	-	4,913	4,913	
Dividend	-	-	-	(3,506)	(3,506)	(342)	(3,848)	
At 31 March 2008	65,800	143	1,785	12,241	79,969	13,962	93,931	

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007.

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2008**  
**(Unaudited)**

	Cumulative Current Year Quarter 30.06.2008 RM'000	Cumulative Preceding Year Period 30.06.2007 RM'000
<b>Net cash inflow from operating activities</b>	(4,264)	11,560
<b>Net cash outflow from investing activities</b>	(18,470)	(2,039)
<b>Net cash outflow from financing activities</b>	-	(261)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(22,734)</u>	<u>9,260</u>
<b>Cash and cash equivalents at</b>		
<b>1 January 2008/2007</b>	39,515	25,829
<b>Cash and cash equivalents</b>		
<b>30 June 2008/2007</b>	<u>16,781</u>	<u>35,089</u>

Notes :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2007 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 2007. 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 2007.

**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 2007.

**3. Audit Report**

The auditors' report on the financial statements for the year ended 31 December 2007 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 June 2008.

**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 Board of Directors has on 21 August 2008 approved the payment of an interim dividend of 0.51 sen per share less tax at 26% to be paid on 16 September 2008 to all shareholders on the Register of Members at the close of business at 8 September 2008. The proposed dividend shall be reflected in the third quarter results.

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

**SELECTED EXPLANATORY NOTES**

**8. Segmental Information**

**(a) Business Segments**

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

	Environmental Consulting & Eng. Services	Laboratory Testing Services	Waste Management	Others*	Elimination	Cumulative Quarter ended 31.03.2008
<b>Segment Revenue</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	18,689	11,666	388	-	-	30,743
Inter- segment revenue	-	2,009	-	1,048	(3,057)	-
Total revenue	18,689	13,675	388	1,048	(3,057)	30,743

<b>Segment Results</b>						
Segment results/ Profit from operations	5,773	5,774	(955)	(524)	-	10,068
(Financing cost)/ profit from deposits, net	-	-	-	-	-	-
Taxation						(3,147)
Profit After Taxation						6,921
Minority Interest						(1,571)
Net profit for the year						5,350

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

**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. Subsequent Events**

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

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

There was no change in the composition of the Group for the current quarter since the 1st Quarter ended 31 March 2008 except that the Company has disposed its 50% equity holding in Teknik Datasab Sdn Bhd on 25 April 2008 which was acquired on 11 February 2008 for a total cash consideration of RM2.0 million. On 5 May 2008, the Company has entered into a Subscription and Shareholders' Agreement to acquire 60% equity holding of SEECO Engineering for Sewerage & Environmental Co. Ltd. ("SEECO") for a total cash consideration of RM10.03 million.

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

**SELECTED EXPLANATORY NOTES**

**12. 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 2007.

**13. Capital Commitments**

Total outstanding approved capital commitments not contracted for at the end of the current quarter is RM5.41 million.

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

**1. Performance Review**

For the second quarter ended 30 June 2008, the Group recorded a revenue of RM15.85 million in which 6% higher as compared to the first quarter ended 31 March 2008 of RM14.90 million and 5% higher as compared to the preceding year corresponding period ended 30 June 2007 of RM15.15.

For the second quarter ended 30 June 2008, the Group's profit before tax (PBT) was RM4.17 million in which 29% lower as compared to the first quarter ended 31 March 2008 of RM5.89 million and the preceding corresponding period ended 30 June 2007 of RM5.84 million.

The decrease in PBT by 29% was mainly due to the losses attributed by the waste management segment and also the losses made by the Saudi Arabia operation.

**2. Comment on Material Change in Profit Before Taxation**

There is no material change in the profit before taxation for the quarter reported 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 2008 is envisaged to be favourable.

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

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

**SELECTED EXPLANATORY NOTES**

**4. Taxation**

	6 months ended	
	30.06.08	30.06.07
	RM'000	RM'000
Taxation comprise the following :		

Current tax:

- Malaysia Income Tax
- Foreign Tax

	3,092	2,662
	55	336

Tax expense

	3,147	2,998
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The effective tax rate for the quarter under review was 31% which is slightly higher than the current statutory rate.

**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**

As at 30 June 2008, the Group has the following borrowing :

	Short term	Long term	Total
	RM'000	RM'000	RM'000
<b>Term loan - secured</b>			
As at 30 June 2008	1,250	11,350	12,600
As at 30 June 2007	-	-	-

**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.



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**SELECTED EXPLANATORY NOTES**

**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 2007.

**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 30.06.08	Cumulative Current Year To Date 30.06.08
Profit for the period (RM'000)	2,143	5,350
Number of ordinary shares of RM0.10 each in issue ('000)	658,000	658,000
Basic Earnings Per Share (sen)	0.33	0.81

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**  
Hajiah Zaidah Binti Haji Mohd Salleh  
Company Secretary (MIA 3313)

Shah Alam  
21 August 2008