

CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008  
(The figures have not been audited)

	Individual Quarter Preceding Year		Cumulative Quarter Preceding Year	
	Current Year Quarter 30.09.2008	Corresponding Quarter 30.09.2007	Current Year To Date 30.09.2008	Corresponding Period 30.09.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	18,595	15,927	49,338	44,650
Cost of sales	(2,698)	(1,710)	(6,590)	(4,284)
Gross profit	<u>15,897</u>	<u>14,217</u>	<u>42,748</u>	<u>40,366</u>
Other income	163	271	737	860
Staff Costs	(4,176)	(3,870)	(12,001)	(10,796)
Depreciation	(1,099)	(1,006)	(3,130)	(3,086)
Operating expenses	(3,882)	(3,388)	(10,806)	(9,687)
Profit from operations	<u>6,903</u>	<u>6,224</u>	<u>17,548</u>	<u>17,657</u>
Financing Cost	-	-	-	-
Share of loss of associated company	(309)	-	(886)	-
Profit before tax	<u>6,594</u>	<u>6,224</u>	<u>16,662</u>	<u>17,657</u>
Taxation	(2,430)	(1,594)	(5,577)	(4,592)
Net profit for the period	<u><u>4,164</u></u>	<u><u>4,630</u></u>	<u><u>11,085</u></u>	<u><u>13,065</u></u>
<b>Attributable to :</b>				
Equity holders of the parents	3,308	3,332	8,658	9,760
Minority interest	856	1,298	2,427	3,305
Net profit for the period	<u><u>4,164</u></u>	<u><u>4,630</u></u>	<u><u>11,085</u></u>	<u><u>13,065</u></u>
<b>Earnings per share attributable to equity holders of the parent</b>				
<b>Basic earnings per share (sen) *</b>	<u><u>0.50</u></u>	<u><u>0.51</u></u>	<u><u>1.32</u></u>	<u><u>1.48</u></u>

\* 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 financial year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30 SEPTEMBER 2008

(The figures have not been audited)

	As At End Of Current Quarter 30.09.2008 RM'000	(Audited) As At Preceding Financial Year End 31.12.2007 RM'000
<b>ASSETS</b>		
<b>Non - Current assets</b>		
Property, plant and equipment	50,683	23,654
Investment property	3,843	3,843
Other investment	8,198	-
Prepaid lease payment	431	450
Goodwill on consolidation	16,319	13,700
	79,474	41,647
<b>Current assets</b>		
Inventories	5,347	972
Trade receivables	14,731	10,431
Other receivables	13,012	2,695
Tax recoverable	2,053	2,045
Available for sale financial assets	20	20
Cash and cash equivalents	19,339	39,515
	54,502	55,678
<b>TOTAL ASSETS</b>	133,976	97,325
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	65,800	47,000
Share Premium	143	170
Other reserves	1,787	1,296
Retained profit	12,967	29,569
	80,697	78,035
<b>Minority interest</b>	14,870	7,406
<b>Total equity</b>	95,567	85,441
<b>Non Current Liabilities</b>		
Long term borrowings	11,708	-
Deferred taxation	3,130	3,133
	14,838	3,133
<b>Current liabilities</b>		
Trade payables	12,095	1,469
Other payables	8,748	6,227
Short term borrowings	1,250	-
Taxation	1,478	1,055
	23,571	8,751
<b>Total Liabilities</b>	38,409	11,884
<b>TOTAL EQUITY AND LIABILITIES</b>	133,976	97,325
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.12	0.83

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008  
(The figures have not been audited)

	Non Distributable			Distributable	Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
<b>At 1 January 2007</b>	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)
<b>At 31 December 2007</b>	<b>47,000</b>	<b>170</b>	<b>1,296</b>	<b>29,569</b>	<b>78,035</b>	<b>7,406</b>	<b>85,441</b>
<b>At 1 January 2008</b>	47,000	170	1,296	29,569	78,035	7,406	85,441
Foreign exchange reserve	-	-	491	(471)	20	342	362
Expenses for bonus issue and share split exercise	-	(27)	-	-	(27)	-	(27)
Net expenses recognised directly in equity	-	(27)	491	(471)	(7)	342	335
Profit for the period	-	-	-	8,658	8,658	2,427	11,085
Total recognised income and expense for the period	-	(27)	491	8,187	8,651	2,769	11,420
Minority interest of subsidiary acquired	-	-	-	-	-	5,037	5,037
Bonus issue & share split	18,800	-	-	(18,800)	-	-	-
Dividend	-	-	-	(5,989)	(5,989)	(342)	(6,331)
<b>At 30 September 2008</b>	<b>65,800</b>	<b>143</b>	<b>1,787</b>	<b>12,967</b>	<b>80,697</b>	<b>14,870</b>	<b>95,567</b>

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

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**  
**(Unaudited)**

	<b>Cumulative Current Year Quarter 30.09.2008 RM'000</b>	<b>Cumulative Preceding Year Period 30.09.2007 RM'000</b>
Net cash inflow from operating activities	(1,515)	7,055
Net cash outflow from investing activities	(18,161)	(929)
Net cash inflow/(outflow) from financing activities	(500)	(261)
Net (decrease)/increase in cash and cash equivalents	<u>(20,176)</u>	<u>5,865</u>
Cash and cash equivalents at 1 January 2008/2007	39,515	25,829
Cash and cash equivalents at 30 September 2008/2007	<u><u>19,339</u></u>	<u><u>31,694</u></u>

Notes :

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

**3. Audit Report**

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not qualified.

**4. Seasonality or Cyclical**

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 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 RM0.51 sen per share less tax at 26% and has been paid on 16 September 2008 to all shareholders on the Register of Members at the close of business at 8 September 2008.

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 30.09.2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	30,556	17,999	783	-	-	49,338
Inter- segment revenue	-	3,259	-	5,122	(8,381)	-
Total revenue	<u>30,556</u>	<u>21,258</u>	<u>783</u>	<u>5,122</u>	<u>(8,381)</u>	<u>49,338</u>
<b>Segment Results</b>						
Segment results/ Profit from operations	10,066	9,608	(2,193)	(819)	-	16,662
(Financing cost)/ profit from deposits, net	-	-	-	-	-	-
Taxation						<u>(5,577)</u>
Profit After Taxation						11,085
Minority Interest						<u>(2,427)</u>
Net profit for the year						<u>8,658</u>

\* 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 buildings 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 2nd Quarter ended 30 June 2008.

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 financial year ended 31 December 2007.

13. Capital Commitments

Total outstanding approved capital commitments not contracted for at the end of the current quarter is RM2.59 million.

**SELECTED EXPLANATORY NOTES**

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

**1. Performance Review**

For the third quarter ended 30 September 2008, the Group recorded a revenue of RM18.59 million in which 17% higher as compared to the second quarter ended 30 June 2008 of RM15.85 million and 17% higher as compared to the preceding year corresponding period ended 30 September 2007 of RM15.93 million. The increase were mainly contributed by the Environmental Consulting and Laboratory Testing Services segments.

For the third quarter ended 30 September 2008, the Group's profit before tax (PBT) was RM6.59 million in which 58% higher as compared to the second quarter ended 30 June 2008 of RM4.17 million and 6% higher as compared to the preceding corresponding period ended 30 September 2007 of RM6.22 million. The increase in PBT were mainly due to the increase in current quarter's revenue and decrease in the losses of associated company.

**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.

**4. Taxation**

	9 months ended	
	30.09.08	30.09.07
	RM'000	RM'000
Taxation comprise the following :		
Current tax:		
- Malaysia Income Tax	5,191	4,256
- Foreign Tax	386	336
Tax expense	<u>5,577</u>	<u>4,592</u>

The effective tax rate for the quarter under review was 33% 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.

**SELECTED EXPLANATORY NOTES**

**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 September 2008, the Group has the following borrowing :

	Short term RM'000	Long term RM'000	Total RM'000
<b>Term loan - secured</b>			
As at 30 September 2008	1,250	11,708	12,958
As at 30 September 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.

**10. Changes in Material Litigation**

There are no changes to any material litigation since the last audited financial statement for the financial 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 30.09.08	Cumulative Current Year To Date 30.09.08
Profit for the period (RM'000)	3,308	8,658
Number of ordinary shares of RM0.10 each in issue ('000)	658,000	658,000
Basic Earnings Per Share (sen)	0.50	1.32

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  
 6 November 2008