

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008
(The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------------------|--|---------------------------------------|---------------------------------------|
| | Preceding Year | | Preceding Year | |
| | Current Year Quarter 31.12.2008 | Corresponding Quarter 31.12.2007 | Current Year To Date 31.12.2008 | Corresponding Period 31.12.2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 22,849 | 15,308 | 72,187 | 58,183 |
| Cost of sales | (5,875) | (1,463) | (12,465) | (7,809) |
| Gross profit | <u>16,974</u> | <u>13,845</u> | <u>59,722</u> | <u>50,374</u> |
| Other income | 218 | 331 | 955 | 1,493 |
| Staff Costs | (4,575) | (3,324) | (16,576) | (13,937) |
| Depreciation | (1,151) | (1,029) | (4,281) | (4,105) |
| Operating expenses | (3,996) | (3,778) | (14,802) | (11,068) |
| Profit from operations | <u>7,470</u> | <u>6,045</u> | <u>25,018</u> | <u>22,757</u> |
| Financing Cost | (6) | - | (6) | (106) |
| Share of loss of associated company | (66) | - | (952) | - |
| Profit before tax | <u>7,398</u> | <u>6,045</u> | <u>24,060</u> | <u>22,651</u> |
| Taxation | (1,171) | (2,791) | (6,748) | (6,186) |
| Net profit for the period | <u><u>6,227</u></u> | <u><u>3,254</u></u> | <u><u>17,312</u></u> | <u><u>16,465</u></u> |
| Attributable to : | | | | |
| Equity holders of the parents | 4,308 | 2,984 | 12,966 | 12,967 |
| Minority interest | 1,919 | 270 | 4,346 | 3,498 |
| Net profit for the period | <u><u>6,227</u></u> | <u><u>3,254</u></u> | <u><u>17,312</u></u> | <u><u>16,465</u></u> |
| Earnings per share attributable to equity holders of the parent | | | | |
| Basic earnings per share (sen) * | <u><u>0.65</u></u> | <u><u>0.45</u></u> | <u><u>1.97</u></u> | <u><u>1.97</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 31 DECEMBER 2008
(The figures have not been audited)

| | As At End Of Current Quarter 31.12.2008 RM'000 | (Audited) As At Preceding Financial Year End 31.12.2007 RM'000 |
|---|--|--|
| ASSETS | | |
| Non - Current assets | | |
| Property, plant and equipment | 50,298 | 23,654 |
| Investment property | 3,843 | 3,843 |
| Other investment | 8,133 | - |
| Prepaid lease payment | 425 | 450 |
| Goodwill on consolidation | 16,843 | 13,700 |
| | 79,542 | 41,647 |
| Current assets | | |
| Inventories | 3,285 | 972 |
| Trade receivables | 17,884 | 10,431 |
| Other receivables | 9,126 | 2,695 |
| Tax recoverable | 2,421 | 2,045 |
| Available for sale financial assets | 20 | 20 |
| Cash and cash equivalents | 23,576 | 39,515 |
| | 56,312 | 55,678 |
| TOTAL ASSETS | 135,854 | 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 | 1,787 | 1,296 |
| Retained profit | 15,016 | 29,569 |
| | 82,746 | 78,035 |
| Minority interest | 16,439 | 7,406 |
| Total equity | 99,185 | 85,441 |
| Non Current Liabilities | | |
| Long term borrowings | 11,389 | - |
| Deferred taxation | 3,130 | 3,133 |
| | 14,519 | 3,133 |
| Current liabilities | | |
| Trade payables | 12,765 | 1,469 |
| Other payables | 7,062 | 6,227 |
| Short term borrowings | 1,250 | - |
| Taxation | 1,073 | 1,055 |
| | 22,150 | 8,751 |
| Total Liabilities | 36,669 | 11,884 |
| TOTAL EQUITY AND LIABILITIES | 135,854 | 97,325 |
| Net assets per share attributable to equity holders of the parent (RM) | 0.13 | 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 FOURTH QUARTER ENDED 31 DECEMBER 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 | | | |
| 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 | - | - | 491 | (745) | (254) | (342) | (596) |
| Expenses for bonus issue and share split exercise | - | (27) | - | - | (27) | - | (27) |
| Net expenses recognised directly in equity | - | (27) | 491 | (745) | (281) | (342) | (623) |
| Profit for the period | - | - | - | 12,966 | 12,966 | 4,346 | 17,312 |
| Total recognised income and expense for the period | - | (27) | 491 | 12,221 | 12,685 | 4,004 | 16,689 |
| Minority interest of subsidiary acquired | - | - | - | - | - | 4,687 | 4,687 |
| Bonus issue & share split | 18,800 | - | - | (18,800) | - | - | - |
| Dividend | - | - | - | (7,974) | (7,974) | 342 | (7,632) |
| At 31 December 2008 | 65,800 | 143 | 1,787 | 15,016 | 82,746 | 16,439 | 99,185 |

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 FOURTH QUARTER ENDED 31 DECEMBER 2008
(Unaudited)

| | Cumulative Current Year Quarter 31.12.2008 RM'000 | Cumulative Preceding Year Period 31.12.2007 RM'000 |
|---|--|---|
| Net cash inflow from operating activities | 3,042 | 24,006 |
| Net cash outflow from investing activities | (18,161) | (2,508) |
| Net cash outflow from financing activities | (820) | (7,812) |
| Net (decrease)/increase in cash and cash equivalents | <u>(15,939)</u> | <u>13,686</u> |
| Cash and cash equivalents at 1 January 2008/2007 | 39,515 | 25,829 |
| Cash and cash equivalents at 31 December 2008/2007 | <u><u>23,576</u></u> | <u><u>39,515</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 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 December 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

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008 of 0.65 sen per share less tax at 25% on 658,000,000 ordinary shares amounting to a dividend payable of RM3,200,000 (0.49 sen net per ordinary shares) will be proposed for shareholders approval to be paid on 9 June 2009 to all shareholders on the Register of Members at the close of business on 28 May 2009. 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 2009.

SELECTED EXPLANATORY NOTES

8. Segmental Information

(a) Business Segments

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

| | <u>Environmental Consulting & Eng. Services</u> | <u>Laboratory Testing Services</u> | <u>Waste Management</u> | <u>Others*</u> | <u>Elimination</u> | <u>Cumulative Quarter ended 30.09.2008</u> |
|--|---|--|-----------------------------|----------------|--------------------|--|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | | | |
| External revenue | 41,385 | 24,982 | 5,820 | - | - | 72,187 |
| Inter- segment revenue | - | 4,176 | - | 17,131 | (21,307) | - |
| Total revenue | <u>41,385</u> | <u>29,158</u> | <u>5,820</u> | <u>17,131</u> | <u>(21,307)</u> | <u>72,187</u> |
| Segment Results | | | | | | |
| Segment results/ Profit from operations | 13,699 | 14,266 | (2,108) | (1,797) | - | 24,060 |
| (Financing cost)/ profit from deposits, net | - | - | - | - | - | - |
| Taxation | | | | | | <u>(6,748)</u> |
| Profit After Taxation | | | | | | 17,312 |
| Minority Interest | | | | | | <u>(4,346)</u> |
| Net profit for the year | | | | | | <u>12,966</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 3rd Quarter ended 30 September 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 RM2.06 million.

SELECTED EXPLANATORY NOTES

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Performance Review

For the fourth quarter ended 31 December 2008, the Group recorded a revenue of RM22.8 million in which 23% higher as compared to the third quarter ended 30 September 2008 of RM18.59 million and 49% higher as compared to the preceding year corresponding period ended 31 December 2007 of RM15.30 million. The increase were mainly contributed by all the business segments within the group.

For the fourth quarter ended 31 December 2008, the Group's profit before tax (PBT) was RM7.4 million in which 12% higher as compared to the third quarter ended 30 September 2008 of RM6.59 million and 22% higher as compared to the preceding corresponding period ended 31 December 2007 of RM6.04 million. The increase in PBT were mainly due to the increase in current quarter's revenue. The cumulative profit before tax for financial year ended 31 December 2008 is 6% higher as compared to the preceding year corresponding period ended 31 December 2007. The increase in revenue for the period ended 31 December 2008 is contributed by the environmental and laboratory testing services segment as well as the waste management segment which was acquired during the year. The growth of profit before tax is contributed by the environmental and lab 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 as compared with the immediate preceding quarter.

3. Commentary On Prospects

With the continuous improvement towards environmental awareness by all the relevant parties in the industries, the performance outlook for year 2009 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

| | 12 months ended | |
|-----------------------------------|-----------------|--------------|
| | 31.12.08 | 31.12.07 |
| | RM'000 | RM'000 |
| Taxation comprise the following : | | |
| Current tax: | | |
| - Malaysia Income Tax | 6,433 | 6,796 |
| - Foreign Tax | 315 | 587 |
| Tax expense | <u>6,748</u> | <u>7,383</u> |

The effective tax rate for the quarter under review was 28% 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 year to date.

SELECTED EXPLANATORY NOTES

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 31 December 2008, the Group has the following borrowing :

| | Short term RM'000 | Long term RM'000 | Total RM'000 |
|----------------------------|----------------------|---------------------|-----------------|
| Term loan - secured | | | |
| As at 31 December 2008 | 1,250 | 11,389 | 12,639 |
| As at 31 December 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 31.12.08 | Cumulative Current Year To Date 31.12.08 |
|---|---|---|
| Profit for the period (RM'000) | 4,308 | 12,966 |
| Number of ordinary shares of RM0.10 each in issue ('000) | 658,000 | 658,000 |
| Basic Earnings Per Share (sen) | 0.65 | 1.97 |

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
27 February 2009