

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2010
(The figures have not been audited)

	Individual Quarter Preceding Year		Cumulative Quarter Preceding Year	
	Current Year Quarter 31.03.2010	Corresponding Quarter 31.03.2009	Current Year To Date 31.03.2010	Corresponding Period 31.03.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	18,412	17,822	18,412	17,822
Cost of sales	(4,132)	(3,368)	(4,132)	(3,368)
Gross profit	<u>14,280</u>	<u>14,454</u>	<u>14,280</u>	<u>14,454</u>
Other income	223	238	223	238
Staff costs	(4,501)	(4,580)	(4,501)	(4,580)
Depreciation	(989)	(1,087)	(989)	(1,087)
Operating expenses	(2,861)	(2,993)	(2,861)	(2,993)
Profit from operations	<u>6,152</u>	<u>6,032</u>	<u>6,152</u>	<u>6,032</u>
Finance costs	(3)	(3)	(3)	(3)
Share of profit/(loss) of an associate	573	684	573	684
Profit before taxation	<u>6,722</u>	<u>6,713</u>	<u>6,722</u>	<u>6,713</u>
Taxation	(1,521)	(1,534)	(1,521)	(1,534)
Total comprehensive income for the period	<u><u>5,201</u></u>	<u><u>5,179</u></u>	<u><u>5,201</u></u>	<u><u>5,179</u></u>
Total comprehensive income attributable to :				
Equity holders of the parents	4,215	3,987	4,215	3,987
Minority interest	986	1,192	986	1,192
Net profit for the period	<u><u>5,201</u></u>	<u><u>5,179</u></u>	<u><u>5,201</u></u>	<u><u>5,179</u></u>
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	<u><u>0.64</u></u>	<u><u>0.61</u></u>	<u><u>0.64</u></u>	<u><u>0.61</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 Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010
(The figures have not been audited)

	As At End Of Current Quarter 31.03.2010 RM'000	(Audited) As At Preceding Financial Year End 31.12.2009 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	26,891	25,352
Concession asset under construction	29,321	30,434
Investment properties	4,110	4,110
Investment in associate	9,037	8,464
Prepaid lease payment	394	400
Intangible assets	16,163	16,163
	85,916	84,923
Current assets		
Inventories	5,074	4,448
Trade receivables	23,351	23,652
Other receivables	8,362	6,504
Tax recoverable	1,865	3,109
Investment in unit trusts	26	26
Cash and cash equivalents	25,315	23,770
	63,993	61,509
TOTAL ASSETS	149,909	146,432
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	1,203	1,139
Retained earnings	25,007	21,147
	92,180	88,256
Minority interest	17,297	16,311
Total equity	109,477	104,567
Non Current Liabilities		
Retirement benefits obligation	1,033	826
Long term borrowings	15,031	15,573
Deferred taxation	2,059	2,059
	18,123	18,458
Current liabilities		
Trade payables	5,918	6,536
Other payables	15,588	16,170
Short term borrowings	28	43
Taxation	775	658
	22,309	23,407
Total Liabilities	40,432	41,865
TOTAL EQUITY AND LIABILITIES	149,909	146,432
Net assets per share attributable to equity holders of the parent (RM)	0.14	0.13

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009 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 2010
(The figures have not been audited)

	Non Distributable			Distributable		Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2009	65,800	170	1,936	16,586	84,492	14,286	98,778
Foreign exchange reserve	-	-	(55)	-	(55)	314	259
Net expenses recognised directly in equity	-	-	(55)	-	(55)	314	259
Total comprehensive income for the period	-	-	-	3,987	3,987	1,192	5,179
Total recognised income and expenses for the period	-	-	(55)	3,987	3,932	1,506	5,438
At 31 March 2009	65,800	170	1,881	20,573	88,424	15,792	104,216
At 1 January 2010	65,800	170	1,139	21,147	88,256	16,311	104,567
Effect of adopting FRS 139	-	-	-	(355)	(355)	-	(355)
At 1 January 2010 (as restated)	65,800	170	1,139	20,792	87,901	16,311	104,212
Foreign exchange reserve	-	-	64	-	64	-	64
Net expenses recognised directly in equity	-	-	64	-	64	-	64
Total comprehensive income for the period	-	-	-	4,215	4,215	986	5,201
Total recognised income and expenses for the period	-	-	64	4,215	4,279	986	5,265
At 31 March 2010	65,800	170	1,203	25,007	92,180	17,297	109,477

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 2009.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2010
(Unaudited)

	Cumulative Current Year Quarter 31.03.2010 RM'000	Cumulative Preceding Year Period 31.03.2009 RM'000
Cash flows from operating activities		
Profit before taxation and minority interest	6,722	6,713
Adjustments for :		
Depreciation	989	1,087
Share of (profit)/loss of associate	(573)	(684)
Amortisation of prepaid lease rental	6	6
Loss/(gain) on disposal of property, plant & equipment; net	(241)	-
Net unrealised foreign exchange gain	64	(259)
Finance cost	3	3
Profit income from deposits	(50)	(53)
Operating profit before working capital changes	<u>6,920</u>	<u>6,813</u>
Working capital changes :		
(Increase)/decrease in receivables	(418)	(3,630)
Increase in inventories and work-in-progress	(626)	(1,372)
(Decrease)/increase in payables	(724)	(804)
Cash generated from operations	<u>5,152</u>	<u>1,007</u>
Financing cost paid	(3)	(3)
Taxation paid	(1,404)	(1,255)
Net cash generated from/(used in) operating activities	<u>3,745</u>	<u>(251)</u>
Cash flows from investing activities		
Net cash outflow from purchase of subsidiaries	(250)	-
Proceeds from disposal of property, plant & equipment	266	-
Purchase of property, plant & equipment	(2,528)	(641)
Profit received from deposits	50	53
Net cash used in investing activities	<u>(2,462)</u>	<u>(588)</u>
Cash flows from financing activities		
Upliftment/(placement) of deposit with licensed bank held under lien	-	1
Repayment of borrowings	(15)	(14)
Net cash used in financing activities	<u>(15)</u>	<u>(13)</u>
Net increase/(decrease) in cash and cash equivalents	1,268	(852)
Cash and cash equivalents at 1 January 2010/2009	24,047	24,899
Cash and cash equivalents at 31 March 2010/2009	<u>25,315</u>	<u>24,047</u>
Cash and cash equivalents :		
Cash and bank balances	25,315	24,177
Less : Deposits under lien	-	(130)
	<u>25,315</u>	<u>24,047</u>

Notes :

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2009 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 2009. 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 2009.

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 2009, except the followings :-

On 1 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 & FRS 127	First-time Adoption of Financial Reporting and Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 & IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above standards, amendments and interpretations have no material impact on the financial performance or position of the Group and the Company except for those discussed below :

FRS 7 Financial Instruments: Disclosures

With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. Additional disclosures are required under this standard regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. Since FRS 7 disclosures are not required in the interim financial statements, no further disclosures have been made in these interim financial statements.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purpose of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. As this is a disclosure standard, there will be no impact on the financial position or results of the Group and Company for the period.

SELECTED EXPLANATORY NOTES

2. Changes in Accounting Policies (cont'd)

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income. In addition, the standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and Company.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below :

Impairment of trade receivables

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of the FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

The following are effects arising from the above changes in accounting policies :

Statement of Financial Position - Group	Increase/(decrease)	
	At 01.01.10 RM'000	At 31.03.10 RM'000
Trade receivables	(355)	-
Retained earnings	-	-
Reserve - fair value adjustment	355	-

3. Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2009 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 2010.

SELECTED EXPLANATORY NOTES

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

A final dividend in respect of the financial year ended 31 December 2009 of 0.41 sen per share less tax at 25% on 658,000,000 ordinary shares amounting to a dividend payable of RM2,000,000 (0.30 sen net per ordinary shares) has been approved to be paid on 7 June 2010 to all shareholders on the Register of Members at the close of business on 26 May 2010. The current quarter report do not reflect this proposed dividend. The dividend will be accounted for in equity as an appropriation of retained profits in the second quarter report of the financial year ended 31 December 2010.

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 Engineering	Others*	Elimination	Cumulative Quarter ended 31.03.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	12,249	5,739	424	-	-	18,412
Inter- segment revenue	-	1,037	-	188	(1,225)	-
Total revenue	<u>12,249</u>	<u>6,776</u>	<u>424</u>	<u>188</u>	<u>(1,225)</u>	<u>18,412</u>
Segment Results						
Segment results/ Profit from operations	3,875	3,016	399	(565)	-	6,725
(Financing cost)/ profit from deposits, net	-	-	(3)	-	-	(3)
Taxation						<u>(1,521)</u>
Profit After Taxation						5,201
Minority Interest						<u>(986)</u>
Net profit for the year						<u><u>4,215</u></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.

SELECTED EXPLANATORY NOTES

10. Subsequent Events

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

11. Change In The Composition of The Group

On 22 February 2010, the Company has entered into a Share Sale Agreement to acquire 72.8% equity interest in Premiere Leap Sdn Bhd for a total cash consideration of RM357,000.

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 2009.

13. Capital Commitments

Total outstanding approved capital commitments not contracted for at the end of the current quarter is RM0.4 million.

SELECTED EXPLANATORY NOTES

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Performance Review

For the first quarter ended 31 March 2010, the Group recorded a revenue of RM18.4 million which is 3% higher as compared to the preceding year corresponding period ended 31 March 2009 of RM17.8 million. The increase were mainly contributed by the environmental consulting and engineering segments.

For the first quarter ended 31 March 2010, the Group's profit before tax (PBT) was RM6.72 million which is slightly higher than the preceding year corresponding period ended 31 March 2009 of RM6.71 million.

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 2010 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	
	31.03.10	31.03.09
	RM'000	RM'000
Taxation comprise the following :		
Current tax :		
- Malaysia Income Tax	1,336	1,253
- Foreign Tax	185	281
Tax expense	<u>1,521</u>	<u>1,534</u>

The effective tax rate for the quarter under review was 23% which is slightly lower than the current statutory rate of 25%.

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.

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.

SELECTED EXPLANATORY NOTES

8. Borrowings

As at 31 March 2010, the Group has the following borrowing :

	As At End Of Current Quarter 31.03.10 RM'000	As At Preceding Year Quarter 31.03.09 RM'000
Secured :		
Current - Hire purchase	28	72
Non-current - Term loan	15,031	14,049
Total borrowings	<u>15,059</u>	<u>14,121</u>

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 2009.

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 31.03.10	Cumulative Current Year To Date 31.03.10
Profit for the period (RM'000)	<u>4,215</u>	<u>4,215</u>
Number of ordinary shares of RM0.10 each in issue ('000)	<u>658,000</u>	<u>658,000</u>
Basic Earnings Per Share (sen)	<u>0.64</u>	<u>0.64</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