

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

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

	Individual Quarter		Cumulative Quarter	
	Preceding Year		Preceding Year	
	Current Year Quarter 31.12.2010	Corresponding Quarter 31.12.2009	Current Year To Date 31.12.2010	Corresponding Period 31.12.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	22,947	19,449	83,951	74,726
Cost of sales	(5,787)	(5,342)	(22,208)	(15,141)
Gross profit	<u>17,160</u>	<u>14,107</u>	<u>61,743</u>	<u>59,585</u>
Other income	395	232	1,054	908
Staff costs	(3,348)	(5,181)	(17,583)	(18,667)
Depreciation	(1,037)	(1,017)	(4,099)	(4,450)
Operating expenses	(9,710)	(5,019)	(36,311)	(17,825)
Profit from operations	<u>3,460</u>	<u>3,122</u>	<u>4,804</u>	<u>19,551</u>
Finance costs	-	(11)	10	(22)
Share of profit/(loss) of an associate	393	(556)	1,064	331
Profit before taxation	<u>3,853</u>	<u>2,555</u>	<u>5,878</u>	<u>19,860</u>
Taxation	(1,727)	(2,108)	(6,679)	(5,498)
Total comprehensive income for the period	<u><u>2,126</u></u>	<u><u>447</u></u>	<u><u>(801)</u></u>	<u><u>14,362</u></u>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the parents	1,619	214	546	10,483
Minority interest	507	233	(1,347)	3,879
Net profit for the period	<u><u>2,126</u></u>	<u><u>447</u></u>	<u><u>(801)</u></u>	<u><u>14,362</u></u>
<b>Earnings per share attributable to equity holders of the parent</b>				
<b>Basic earnings per share (sen) *</b>	<u><u>0.25</u></u>	<u><u>0.03</u></u>	<u><u>0.08</u></u>	<u><u>1.59</u></u>

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 DECEMBER 2010  
(The figures have not been audited)

	As At End Of Current Quarter 31.12.2010 RM'000	(Audited) As At Preceding Financial Year End 31.12.2009 RM'000
<b>ASSETS</b>		
<b>Non - Current assets</b>		
Property, plant and equipment	25,056	25,352
Concession asset under construction	-	30,434
Investment properties	4,110	4,110
Investment in associate	4,073	8,464
Prepaid lease payment	375	400
Intangible assets	13,985	16,163
	47,599	84,923
<b>Current assets</b>		
Inventories	1,404	4,448
Trade receivables	25,104	23,652
Other receivables	5,096	6,504
Tax recoverable	2,044	3,109
Investment in unit trusts	26	26
Cash and cash equivalents	37,471	23,770
	71,145	61,509
<b>TOTAL ASSETS</b>	118,744	146,432
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	1,166	1,139
Retained earnings	15,606	21,147
	82,742	88,256
<b>Minority interest</b>	17,073	16,311
<b>Total equity</b>	99,815	104,567
<b>Non Current Liabilities</b>		
Retirement benefits obligation	1,652	826
Long term borrowings	-	15,573
Deferred taxation	2,174	2,059
	3,826	18,458
<b>Current liabilities</b>		
Trade payables	4,342	6,536
Other payables	8,880	16,170
Short term borrowings	822	43
Taxation	1,059	658
	15,103	23,407
<b>Total Liabilities</b>	18,929	41,865
<b>TOTAL EQUITY AND LIABILITIES</b>	118,744	146,432
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.13	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 FOURTH QUARTER ENDED 31 DECEMBER 2010**  
**(The figures have not been audited)**

	Non Distributable		Distributable		Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2009</b>	65,800	170	1,936	16,586	84,492	14,286	98,778
Foreign exchange reserve	-	-	(797)	-	(797)	-	(797)
Net expenses recognised directly in equity	-	-	(797)	-	(797)	-	(797)
Total comprehensive income for the year	-	-	-	10,483	10,483	3,878	14,361
Total recognised income and expenses for the year	-	-	(797)	10,483	9,686	3,878	13,564
Dividends	-	-	-	(5,922)	(5,922)	(1,853)	(7,775)
<b>At 31 December 2009</b>	<b>65,800</b>	<b>170</b>	<b>1,139</b>	<b>21,147</b>	<b>88,256</b>	<b>16,311</b>	<b>104,567</b>
<b>At 1 January 2010</b>	65,800	170	1,139	21,147	88,256	16,311	104,567
Effect of adopting FRS 139	-	-	-	(355)	(355)	-	(355)
<b>At 1 January 2010 (as restated)</b>	<b>65,800</b>	<b>170</b>	<b>1,139</b>	<b>20,792</b>	<b>87,901</b>	<b>16,311</b>	<b>104,212</b>
Foreign exchange reserve	-	-	27	(72)	(45)	386	341
Utilisation of FRS 139	-	-	-	221	221	-	221
Disposal of a subsidiary	-	-	-	(588)	(588)	1,723	1,135
Net expenses recognised directly in equity	-	-	27	(439)	(412)	2,109	1,697
Total comprehensive income for the year	-	-	-	546	546	(1,347)	(801)
Total recognised income and expenses for the year	-	-	27	107	134	762	896
Dividends	-	-	-	(5,293)	(5,293)	-	(5,293)
<b>At 31 December 2010</b>	<b>65,800</b>	<b>170</b>	<b>1,166</b>	<b>15,606</b>	<b>82,742</b>	<b>17,073</b>	<b>99,815</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 2009.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**  
(Unaudited)

	<b>Cumulative Current Year Quarter 31.12.2010 RM'000</b>	<b>Cumulative Preceding Year Period 31.12.2009 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and minority interest	5,878	19,860
<b>Adjustments for :</b>		
Depreciation	4,099	4,425
Share of (profit)/loss of associate	(1,064)	(331)
Amortisation of prepaid lease rental	25	25
Provision for retirement benefits obligation	826	826
Provision for impairment of concession assets under construction	13,656	-
Provision for impairment of investment in an associate	5,456	-
Loss/(gain) on disposal of property, plant & equipment; net	(240)	8
Loss/(gain) on disposal of a subsidiary; net	(183)	-
Provision/(reversal) for doubtful debts	1,751	787
Net unrealised foreign exchange gain	27	(72)
Finance cost	(10)	22
Profit income from deposits	(419)	(281)
<b>Operating profit before working capital changes</b>	<u>29,802</u>	<u>25,269</u>
Working capital changes :		
Increase in receivables	(44)	(3,687)
Decrease/(increase) in inventories and work-in-progress	3,044	(1,883)
Decrease in payables	(8,028)	(197)
<b>Cash generated from operations</b>	<u>24,774</u>	<u>19,502</u>
Financing cost paid	10	(22)
Taxation paid	(5,984)	(9,110)
<b>Net cash generated from operating activities</b>	<u>18,800</u>	<u>10,370</u>
<b>Cash flows from investing activities</b>		
Net cash outflow from purchase of subsidiaries	(339)	-
Proceeds from disposal of property, plant & equipment	268	406
Purchase of property, plant & equipment	(3,803)	(5,890)
Profit received from deposits	419	281
<b>Net cash used in investing activities</b>	<u>(3,455)</u>	<u>(5,203)</u>
<b>Cash flows from financing activities</b>		
Upliftment/(placement) of deposit with licensed bank held under lien	-	128
Repayment of borrowings	(865)	(43)
Drawdown of borrowings	1,644	1,523
Dividend paid	(2,023)	(5,922)
Dividend to minority interest	(400)	(1,853)
<b>Net cash used in financing activities</b>	<u>(1,644)</u>	<u>(6,167)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	13,701	(1,000)
<b>Cash and cash equivalents at 1 January 2010/2009</b>	<u>23,770</u>	<u>24,770</u>
<b>Cash and cash equivalents at 31 December 2010/2009</b>	<u>37,471</u>	<u>23,770</u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	<u>37,471</u>	<u>23,770</u>
	<u>37,471</u>	<u>23,770</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 31.12.10 RM'000
Trade receivables	(355)	221
Retained earnings	-	-
Reserve - fair value adjustment	355	(221)

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 December 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

At the forthcoming Annual General Meeting ("AGM"), a final dividend in respect of the financial year ended 31 December 2010 of 0.10 sen per share less tax at 25% on 658,000,000 ordinary shares amounting to a dividend payable of RM493,500 (0.075 sen net per ordinary shares) will be proposed for shareholders approval at the forthcoming AGM. The date of entitlement and payment will be determined in due course. 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 2011.

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 31.12.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	57,283	25,315	1,353	-	-	83,951
Inter- segment revenue	-	3,457	-	14,257	(17,714)	-
Total revenue	<u>57,283</u>	<u>28,772</u>	<u>1,353</u>	<u>14,257</u>	<u>(17,714)</u>	<u>83,951</u>
<b>Segment Results</b>						
Segment results/ Profit from operations	14,966	12,487	(12,929)	(5,294)	(3,362)	5,868
(Financing cost)/ profit from deposits, net	-	-	10	-	-	10
Taxation						<u>(6,679)</u>
Profit After Taxation						<u>(801)</u>
Minority Interest						<u>1,347</u>
Net profit for the year						<u>546</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.

**SELECTED EXPLANATORY NOTES**

**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 2010.

**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 RM2.9 million.



SELECTED EXPLANATORY NOTES

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Performance Review

For the fourth quarter ended 31 December 2010, the Group recorded a revenue of RM22.9 million which is 9% higher as compared to the third quarter ended 30 September 2010 of RM21.1 million and 18% higher as compared to the preceding year corresponding period ended 31 December 2009 of RM19.4 million. The increase were mainly contributed by the environmental consulting and engineering services segments.

For the fourth quarter ended 31 December 2010, the Group's profit before tax (PBT) was RM3.9 million which is 72% higher as compared to the third quarter ended 30 September 2010 of RM2.2 million and 51% higher as compared to the preceding corresponding period ended 31 December 2009 of RM2.6 million. The cumulative PBT for the financial year ended 31 December 2010 is 70% lower as compared to the preceding year corresponding period ended 31 December 2009. The decrease was mainly due to the impairment of investment and assets of subsidiaries which has been disposed in the third quarter 2010.

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

The Group's performance for the future years is anticipate to be favourable and improved due to the disposal of the non-profitable subsidiaries.

4. Taxation

	12 months ended	
	31.12.10	31.12.09
	RM'000	RM'000
Taxation comprise the following :		
Current tax :		
- Malaysia Income Tax	5,476	5,628
- Foreign Tax	1,203	914
Tax expense	<u>6,679</u>	<u>6,542</u>

The effective tax rate for the year under review was 114% which was higher as compared to the current statutory rate of 25%, mainly due to the losses from disposal of its subsidiaries and impairment of investment in an associates.

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.

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 31 December 2010, the Group has the following borrowing :

	<b>As At End Of Current Quarter 31.12.10 RM'000</b>	<b>As At Preceding Year Quarter 31.12.09 RM'000</b>
<b>Secured :</b>		
Current - Hire purchase	-	43
Current - Short term borrowing	822	-
Non-current - Term loan	-	15,573
Total borrowings	822	15,616

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. Realised and Unrealised Profits

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has, on 25 March 2010 and 20 December 2010, issued a directives requiring all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group and company basis, in quarterly reports and annual audited financial statements.

As at 31 December 2010, the Group's realised and/or unrealised profits are as follows :-

	<b>31.12.10 RM'000</b>
Total retained profit of the Group :	
Realised	17,263
Unrealised - in respect of deferred tax recognised in the income statement	(2,101)
Total share of retained profits from associated companies :	
Realised	444
Unrealised	-
Total Group's retained profits as per consolidated accounts	15,606

**SELECTED EXPLANATORY NOTES**

**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:

	<b>Individual Current Year Quarter 31.12.10</b>	<b>Cumulative Current Year To Date 31.12.10</b>
Profit for the period (RM'000)	<u>1,619</u>	<u>546</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>0.25</u>	<u>0.08</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