

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2011
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Period
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	19,191	18,412	19,191	18,412
Cost of sales	(4,256)	(4,132)	(4,256)	(4,132)
Gross profit	14,935	14,280	14,935	14,280
Other income	320	223	320	223
Staff costs	(4,696)	(4,501)	(4,696)	(4,501)
Depreciation and amortisation	(977)	(989)	(977)	(989)
Other operating expenses	(2,788)	(2,861)	(2,788)	(2,861)
Profit from operations	6,794	6,152	6,794	6,152
Finance costs	-	(3)	-	(3)
Share of profit of an associate	100	573	100	573
Profit before taxation	6,894	6,722	6,894	6,722
Income tax expense	(1,914)	(1,521)	(1,914)	(1,521)
Profit net of tax	4,980	5,201	4,980	5,201
Other comprehensive income :	-	-	-	-
Foreign currency translation	(235)	64	(235)	64
Other comprehensive income, net of tax	(235)	64	(235)	64
Total comprehensive income for the period	4,745	5,265	4,745	5,265
Profit attributable to :				
Owners of the parent	3,728	4,215	3,728	4,215
Minority interest	1,252	986	1,252	986
	4,980	5,201	4,980	5,201
Total comprehensive income attributable to :				
Owners of the parent	3,493	4,279	3,493	4,279
Minority interest	1,252	986	1,252	986
	4,745	5,265	4,745	5,265
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	0.57	0.64	0.57	0.64

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 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 2011
(The figures have not been audited)

	As At End Of Current Quarter 31.03.2011 RM'000	(Audited) As At Preceding Financial Year End 31.12.2010 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	26,474	26,712
Concession asset under construction	-	-
Investment properties	5,358	5,358
Investment in associate	4,242	4,142
Prepaid lease payment	369	375
Intangible assets	13,985	13,985
	50,428	50,572
Current assets		
Inventories	2,092	1,404
Trade receivables	24,007	25,237
Other receivables	5,793	6,155
Tax recoverable	3,308	2,044
Investment in unit trusts	27	26
Cash and cash equivalents	38,792	37,471
	74,019	72,337
TOTAL ASSETS	124,447	122,909
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	2,355	2,590
Retained earnings	24,523	20,795
	92,848	89,355
Minority interest	14,880	13,628
Total equity	107,728	102,983
Non Current Liabilities		
Retirement benefits obligation	1,906	1,652
Long term borrowings	-	-
Deferred taxation	3,171	3,171
	5,077	4,823
Current liabilities		
Trade payables	3,413	6,204
Other payables	6,621	7,018
Short term borrowings	-	822
Taxation	1,608	1,059
	11,642	15,103
Total Liabilities	16,719	19,926
TOTAL EQUITY AND LIABILITIES	124,447	122,909
Net assets per share attributable to equity holders of the parent (RM)	0.14	0.14

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 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 2011
(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
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
Total comprehensive income for the period	-	-	64	4,215	4,279	986	5,265
Transactions with owners	-	-	-	-	-	-	-
At 31 March 2010	65,800	170	1,203	25,007	92,180	17,297	109,477
At 1 January 2011	65,800	170	2,590	20,795	89,355	13,628	102,983
Total comprehensive income for the period	-	-	(235)	3,728	3,493	1,252	4,745
Transactions with owners	-	-	-	-	-	-	-
At 31 March 2011	65,800	170	2,355	24,523	92,848	14,880	107,728

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 2010.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2011
(Unaudited)

	Cumulative Current Year Quarter 31.03.2011 RM'000	Cumulative Preceding Year Period 31.03.2010 RM'000
Cash flows from operating activities		
Profit before taxation and minority interest	6,894	6,722
Adjustments for :		
Depreciation	977	989
Share of (profit)/loss of associate	(100)	(573)
Amortisation of prepaid lease rental	6	6
Provision for retirement benefits obligation	254	-
Loss/(gain) on disposal of property, plant & equipment; net	5	(241)
Net unrealised foreign exchange gain	(235)	64
Finance cost	-	3
Profit income from deposits	(131)	(50)
Operating profit before working capital changes	<u>7,670</u>	<u>6,920</u>
Working capital changes :		
Decrease/(increase) in receivables	654	(418)
Increase in inventories and work-in-progress	(688)	(626)
Decrease in payables	(3,188)	(724)
Cash generated from operations	<u>4,448</u>	<u>5,152</u>
Financing cost paid	-	(3)
Taxation paid	(1,365)	(1,404)
Net cash generated from operating activities	<u>3,083</u>	<u>3,745</u>
Cash flows from investing activities		
Net cash outflow from purchase of subsidiaries	(18)	(250)
Proceeds from disposal of property, plant & equipment	-	266
Purchase of property, plant & equipment	(1,053)	(2,528)
Profit received from deposits	131	50
Net cash generated from/(used in) investing activities	<u>(940)</u>	<u>(2,462)</u>
Cash flows from financing activities		
Repayment of borrowings	(822)	(15)
Net cash generated from/(used in) financing activities	<u>(822)</u>	<u>(15)</u>
Net increase in cash and cash equivalents	1,321	1,268
Cash and cash equivalents at 1 January 2011/2010	<u>37,471</u>	<u>24,047</u>
Cash and cash equivalents at 31 March 2011/2010	<u><u>38,792</u></u>	<u><u>25,315</u></u>
Cash and cash equivalents :		
Cash and bank balances	<u>38,792</u>	<u>25,315</u>
	<u><u>38,792</u></u>	<u><u>25,315</u></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 2010 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 2010. 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 2010.

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 2010, except the followings :-

On 1 January 2011, 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 2011.

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment & Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	Business Combinations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 121	The Effect of Changes in Foreign Exchange Rates
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Classification of Rights Issues & Financial Instruments : Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Amendments to IC Interpretation 13
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers

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 the enhanced disclosures about fair value measurements and liquidity risk as required by Amendments to FRS 7 : Improving Disclosures about Financial Instruments. Such enhanced disclosures will be presented in the audited financial statements of the Group for the financial year ending 31 December 2011.

3. Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not qualified.

SELECTED EXPLANATORY NOTES

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 31 March 2011.

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 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) has been approved to be paid on 6 June 2011 to all shareholders on the Register of Members at the close of business on 23 May 2011. 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 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 31.03.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	12,698	6,493	-	-	-	19,191
Inter- segment revenue	-	902	-	-	(902)	-
Total revenue	<u>12,698</u>	<u>7,395</u>	-	-	<u>(902)</u>	<u>19,191</u>
Segment Results						
Segment results/ Profit from operations	4,192	3,651	(65)	(884)	-	6,894
(Financing cost)/ profit from deposits, net	-	-	-	-	-	-
Taxation						<u>(1,914)</u>
Profit After Taxation						4,980
Minority Interest						<u>(1,252)</u>
Net profit for the year						<u>3,728</u>

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

SELECTED EXPLANATORY NOTES

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 changes in the composition of the Group for the current quarter since the 4th Quarter ended 31 December 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 2010.

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 first quarter ended 31 March 2011, the Group recorded a revenue of RM19.2 million which is 4% higher as compared to the preceding year corresponding period ended 31 March 2010 of RM18.4 million. The increase were mainly contributed by the lab testing segments.

For the first quarter ended 31 March 2011, the Group's profit before tax (PBT) was RM6.89 million which is slightly higher as compared to the preceding year corresponding period ended 31 March 2010 of RM6.72 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

Continued global demand on environmental awareness and increased efficiency in the Group's operation is expected to have a positive impact on the Group's performance for the year 2011.

4. Taxation

Taxation comprise the following :

Current tax :

- Malaysia Income Tax
- Foreign Tax

Tax expense

3 months ended	
31.03.11	31.03.10
RM'000	RM'000
1,715	1,336
199	185
<u>1,914</u>	<u>1,521</u>

The effective tax rate for the current quarter under review was 28% which was slightly higher as compared to 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.

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 March, the Group has the following borrowing :

	As At End Of Current Quarter 31.03.11 RM'000	As At Preceding Year Quarter 31.03.10 RM'000
Secured :		
Current - Hire purchase	-	28
Non-current - Term loan	-	15,031
Total borrowings	<u>-</u>	<u>15,059</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 2010.

11. Realised and Unrealised Profits

The breakdown of the retained profits of the Group into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1 : Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

As at 31 March 2011, the Group's realised and/or unrealised profits are as follows :-

	31.03.11 RM'000	31.12.10 RM'000
Total retained profit of the Group :		
Realised	17,562	13,834
Unrealised - in respect of deferred tax recognised in the income statement	3,171	3,171
	<u>20,733</u>	<u>17,005</u>
Total share of retained profits from associated companies :		
Realised	614	514
Unrealised	-	-
	<u>614</u>	<u>514</u>
Add : Consolidation adjustments	<u>3,176</u>	<u>3,276</u>
Total Group's retained profits as per consolidated accounts	<u>24,523</u>	<u>20,795</u>

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:

	Individual Current Year Quarter 31.03.11	Cumulative Current Year To Date 31.03.11
Profit for the period (RM'000)	<u>3,728</u>	<u>3,728</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>0.57</u>	<u>0.57</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