

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

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2011 RM'000	Corresponding Quarter 31.12.2010 RM'000	Current Year To Date 31.12.2011 RM'000	Corresponding Period 31.12.2010 RM'000
Revenue	22,872	22,947	88,796	83,951
Cost of sales	(8,785)	(5,787)	(28,011)	(22,208)
Gross profit	14,087	17,160	60,785	61,743
Other income	393	1,642	1,596	2,301
Staff costs	(4,029)	(3,348)	(19,084)	(17,583)
Depreciation and amortisation	(835)	(1,062)	(3,765)	(4,124)
Other operating expenses	(6,321)	(9,636)	(16,750)	(36,237)
Profit from operations	3,295	4,756	22,782	6,100
Finance costs	-	-	-	10
Share of (loss)/profit of an associate	(28)	463	(178)	1,134
Profit before taxation	3,267	5,219	22,604	7,244
Income tax expense	(2,108)	(1,727)	(7,668)	(6,679)
Profit net of tax	1,159	3,492	14,936	565
Other comprehensive income :				
Foreign currency translation	894	1,623	1,731	455
Revaluation of land and building	228	814	228	814
Other comprehensive income, net of tax	1,122	2,437	1,959	1,269
Total comprehensive income for the period	2,281	5,929	16,895	1,834
Profit attributable to :				
Owners of the parent	(807)	2,985	9,234	1,912
Minority interest	1,966	507	5,702	(1,347)
	1,159	3,492	14,936	565
Total comprehensive income attributable to :				
Owners of the parent	311	7,695	11,207	3,044
Minority interest	1,970	(1,766)	5,688	(1,210)
	2,281	5,929	16,895	1,834
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	(0.12)	0.45	1.40	0.29

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 DECEMBER 2011
(The figures have not been audited)

	As At End Of Current Quarter 31.12.2011 RM'000	(Audited) As At Preceding Financial Year End 31.12.2010 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	26,334	26,712
Investment properties	5,585	5,358
Investment in associate	-	4,142
Prepaid lease payment	350	375
Intangible assets	13,985	13,985
	46,254	50,572
Current assets		
Inventories	1,547	1,404
Trade receivables	24,684	25,237
Other receivables	10,686	6,155
Tax recoverable	2,338	2,044
Investment in unit trusts	29	26
Cash and cash equivalents	45,372	37,471
	84,656	72,337
TOTAL ASSETS	130,910	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	4,549	2,590
Retained earnings	27,036	20,795
	97,555	89,355
Minority interest	16,036	13,628
Total equity	113,591	102,983
Non Current Liabilities		
Retirement benefits obligation	125	1,652
Long term borrowings	-	-
Deferred taxation	2,522	3,171
	2,647	4,823
Current liabilities		
Trade payables	3,263	6,204
Other payables	8,306	7,018
Short term borrowings	847	822
Taxation	2,256	1,059
	14,672	15,103
Total Liabilities	17,319	19,926
TOTAL EQUITY AND LIABILITIES	130,910	122,909
Net assets per share attributable to equity holders of the parent (RM)	0.15	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 FOURTH QUARTER ENDED 31 DECEMBER 2011
(The figures have not been audited)

	← Attributable to owners of the company →				Non-controlling Interest		Total Equity RM'000
	Non Distributable		Distributable		Total RM'000	Minority Interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
At 1 January 2010	65,800	170	1,458	21,147	88,575	15,992	104,567
Effect of adopting FRS 139	-	-	-	(241)	(241)	(113)	(354)
At 1 January 2010 (as restated)	65,800	170	1,458	20,906	88,334	15,879	104,213
Total comprehensive income for the period	-	-	1,132	1,912	3,044	(1,210)	1,834
Transactions with owners :							
Disposal of subsidiary	-	-	-	-	-	1,693	1,693
Dividends paid to minority interest	-	-	-	-	-	(2,734)	(2,734)
Dividends	-	-	-	(2,023)	(2,023)	-	(2,023)
Total transactions with owners	-	-	-	(2,023)	(2,023)	(1,041)	(3,064)
At 31 December 2010	65,800	170	2,590	20,795	89,355	13,628	102,983
At 1 January 2011	65,800	170	2,590	20,795	89,355	13,628	102,983
Total comprehensive income for the period	-	-	1,959	9,234	11,193	5,688	16,881
Transactions with owners :							
Dividends paid to minority interest	-	-	-	-	-	(3,280)	(3,280)
Dividends	-	-	-	(2,993)	(2,993)	-	(2,993)
Total transactions with owners	-	-	-	(2,993)	(2,993)	(3,280)	(6,273)
At 31 December 2011	65,800	170	4,549	27,036	97,555	16,036	113,591

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 FOURTH QUARTER ENDED 31 DECEMBER 2011
(Unaudited)

	Cumulative Current Year Quarter 31.12.2011 RM'000	Cumulative Preceding Year Period 31.12.2010 RM'000
Cash flows from operating activities		
Profit before taxation and minority interest	22,604	7,245
Adjustments for :		
Depreciation	3,765	4,099
Share of (profit)/loss of associate	178	(1,134)
Amortisation of prepaid lease rental	25	25
Provision for retirement benefits obligation	735	826
Provision for impairment of investment in an associate	3,964	5,456
Net gains from fair value adjustment of investment properties	(228)	(1,248)
Gain on disposal of property, plant & equipment; net	(118)	(240)
Gain on disposal of investment in subsidiaries; net	-	(183)
Provision for doubtful debts	311	1,620
Net unrealised foreign exchange (gain)/loss	(1,731)	9
Finance cost	-	(10)
Profit income from deposits	(337)	(419)
Operating profit before working capital changes	<u>29,168</u>	<u>16,046</u>
Working capital changes :		
Increase in receivables	(3,814)	(2,743)
(Increase)/decrease in inventories and work-in-progress	(143)	3,044
(Decrease)/increase in payables	<u>(1,653)</u>	<u>9,871</u>
Cash generated from operations	<u>23,558</u>	<u>26,218</u>
Financing cost paid	-	10
Taxation paid	<u>(6,471)</u>	<u>(4,516)</u>
Net cash generated from operating activities	<u>17,087</u>	<u>21,712</u>
Cash flows from investing activities		
Net cash inflow/(outflow) on acquisition of a subsidiary	(18)	457
Addition to intangible assets	-	284
Proceeds from disposal of property, plant & equipment	130	274
Purchase of property, plant & equipment	(3,387)	(3,926)
Proceeds from disposal of subsidiaries	-	(932)
Profit received from deposits	337	419
Net cash used in investing activities	<u>(2,938)</u>	<u>(3,424)</u>
Cash flows from financing activities		
Repayment of borrowings	(822)	(43)
Drawdown of borrowings	847	822
Dividend paid	(2,993)	(2,633)
Dividend to minority interest	<u>(3,280)</u>	<u>(2,733)</u>
Net cash used in financing activities	<u>(6,248)</u>	<u>(4,587)</u>
Net increase in cash and cash equivalents	7,901	13,701
Cash and cash equivalents at 1 January 2011/2010	<u>37,471</u>	<u>23,770</u>
Cash and cash equivalents at 31 December 2011/2010	<u><u>45,372</u></u>	<u><u>37,471</u></u>
Cash and cash equivalents :		
Cash and bank balances	<u>45,372</u>	<u>37,471</u>
	<u><u>45,372</u></u>	<u><u>37,471</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 Main Market 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 (revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (revised)	Business Combinations
FRS 127 (revised)	Consolidated and Separate Financial Statements
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 1 (revised)	Limited Exemption from Comparative FRS 7 Disclosures 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.

SELECTED EXPLANATORY NOTES

2. Changes in Accounting Policies (cont'd)

Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the comparative statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

3. Audit Report

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

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011 of 0.6079 sen per share less tax at 25% on 658,000,000 ordinary shares amounting to a dividend payable of RM3,000,000 (0.4559 sen net per ordinary shares) will be proposed for shareholders approval. 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 of the financial year ended 31 December 2012.

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 Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	53,701	28,481	6,614	-	-	88,796
Inter- segment revenue	-	3,390	-	-	(3,390)	-
Total revenue	53,701	31,871	6,614	-	(3,390)	88,796
Segment Results						
Segment results/ Profit from operations	13,906	16,145	(632)	(7,284)	-	22,135
(Financing cost)/ profit from deposits, net	85	108	-	276	-	469
Taxation						(7,668)
Profit After Taxation						14,936
Minority Interest						(5,702)
Net profit for the year						9,234

* 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 2011.

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 RM2.3 million.

SELECTED EXPLANATORY NOTES

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Performance Review

For the fourth quarter ended 31 December 2011, the Group recorded a revenue of RM22.9 million which is 8% lower as compared to the third quarter ended 30 September 2011 of RM24.9 million and 0.3% lower as compared to the preceding year corresponding period ended 31 December 2010 of RM22.9 million. Cumulatively, the Group recorded a revenue of RM88.8 million which is 6% higher as compared to the corresponding year ended 31 December 2010 of RM83.9 million. The increase were mainly contributed by the lab testing and waste management engineering segments.

Environmental Consulting & Engineering segment - Revenue decreased by RM2.5 million during the current quarter as compared to the preceding year corresponding quarter ended 31 December 2010. The decrease were mainly due to certain targeted projects which was not materialised.

Lab Testing segment - Revenue increased by RM1.1 million during the current quarter as compared to the preceding year corresponding quarter ended 31 December 2010. The increase were mainly due to increase in overseas business.

Waste Management Engineering segment - Revenue increased by RM1.4 million during the current quarter as compared to the preceding year corresponding quarter ended 31 December 2010. The increase were mainly due to expansion of the waste management engineering business.

For the fourth quarter ended 31 December 2011, the Group's profit before tax (PBT) was RM3.3 million which is 51% lower as compared to the third quarter ended 30 September 2011 of RM6.7 million and 37% lower as compared to the preceding year corresponding period ended 31 December 2010 of RM5.2 million. Cumulatively, the Group's PBT was 212% higher as compared to the corresponding year ended 31 December 2010 due to the provision of impairment of assets under construction in the waste management engineering segment in 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

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 2012.

4. Taxation

Taxation comprise the following :

Current tax :

- Malaysia Income Tax
- Foreign Tax

Tax expense

12 months ended	
31.12.11	31.12.10
RM'000	RM'000
6,764	5,445
904	1,234
<u>7,668</u>	<u>6,679</u>

The effective tax rate for the current quarter under review was 34% which was slightly higher as compared to the current statutory rate of 25% .

SELECTED EXPLANATORY NOTES

5. Corporate Proposals

Status of Corporate Proposal

On 18 October 2011, the Company announced that Vertical Plus Sdn Bhd, its wholly-owned subsidiary, had on the same date entered into a conditional sale and purchase agreement with Simple Hope Sdn Bhd to acquire a parcel of freehold industrial land held under Geran No. Hakmilik 58820, PT 64234, Mukim of Damansara, District of Petaling, Selangor Darul Ehsan and bearing postal address No. 10, Jalan Astaka U8/84, Section U8, 40150 Shah Alam, Selangor Darul Ehsan measuring approximately 5,951 square meters with the buldings erected thereon for a total cash consideration of RM40 million.

The proposed acquisition is subject to the approvals from the Company's shareholders at an extraordinary general meeting to be convened, and any other relevant authorities.

6. Borrowings

As at 31 December, the Group has the following borrowing :

	As At End Of Current Quarter 31.12.11 RM'000	As At Preceding Year Quarter 31.12.10 RM'000
Secured :		
Current - Short term loan	847	822
Non-current - Term loan	-	-
Total borrowings	<u>847</u>	<u>822</u>

7. 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.

8. 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.

SELECTED EXPLANATORY NOTES

9. 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 December 2011, the Group's realised and/or unrealised profits are as follows :-

	31.12.11	31.12.10
	RM'000	RM'000
Total retained profit of the Group :		
Realised	23,068	13,834
Unrealised - in respect of deferred tax recognised in the income statement	2,522	3,171
	<u>25,590</u>	<u>17,005</u>
Total share of retained profits from associated companies :		
Realised	(178)	514
Unrealised	-	-
	<u>(178)</u>	<u>514</u>
Add : Consolidation adjustments	1,624	3,276
Total Group's retained profits as per consolidated accounts	<u>27,036</u>	<u>20,795</u>

10. 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	Cumulative
	Current Year	Current Year
	Quarter	To Date
	31.12.11	31.12.11
Profit for the period (RM'000)	(807)	9,234
Number of ordinary shares of RM0.10 each in issue ('000)	658,000	658,000
Basic Earnings Per Share (sen)	<u>(0.12)</u>	<u>1.40</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