

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2012 Unaudited RM'000	Corresponding Quarter 31.12.2011 Unaudited RM'000 (Restated)	Current Year To Date 31.12.2012 Unaudited RM'000	Corresponding Period 31.12.2011 Audited RM'000 (Restated)
Revenue	23,736	21,929	89,379	87,852
Cost of sales	(8,289)	(2,237)	(26,705)	(21,463)
Gross profit	<u>15,447</u>	<u>19,692</u>	<u>62,674</u>	<u>66,389</u>
Interest income	152	253	605	590
Other income	2,704	261	3,452	1,127
Staff costs	(5,626)	(3,801)	(21,164)	(18,856)
Depreciation and amortisation	(1,890)	(904)	(5,333)	(3,898)
Provision for and write-off of receivables	(662)	-	(2,033)	(311)
Foreign exchange loss	(317)	-	(2,265)	(43)
Other operating expenses	(4,865)	(9,826)	(15,243)	(14,598)
Profit from operations	<u>4,943</u>	<u>5,675</u>	<u>20,693</u>	<u>30,400</u>
Finance costs	(348)	-	(1,476)	-
Share of (loss)/profit of an associate	-	(81)	-	(232)
Profit before taxation	<u>4,595</u>	<u>5,594</u>	<u>19,217</u>	<u>30,168</u>
Income tax expense	(1,779)	(2,013)	(7,140)	(7,500)
<b>Profit net of tax</b>	<u><b>2,816</b></u>	<u><b>3,581</b></u>	<u><b>12,077</b></u>	<u><b>22,668</b></u>
<b>Other comprehensive income :</b>				
Foreign currency translation	(2,288)	894	(1,508)	(240)
<b>Other comprehensive income, net of tax</b>	<u>(2,288)</u>	<u>1,122</u>	<u>(1,508)</u>	<u>(240)</u>
<b>Total comprehensive income for the period</b>	<u><b>528</b></u>	<u><b>4,703</b></u>	<u><b>10,569</b></u>	<u><b>22,428</b></u>
<b>Profit attributable to :</b>				
Owners of the parent	1,719	2,339	7,823	16,766
Minority interest	1,097	1,242	4,254	5,902
	<u><b>2,816</b></u>	<u><b>3,581</b></u>	<u><b>12,077</b></u>	<u><b>22,668</b></u>
<b>Total comprehensive income attributable to :</b>				
Owners of the parent	(1,862)	3,461	5,023	13,405
Minority interest	2,390	1,242	5,546	9,023
	<u><b>528</b></u>	<u><b>4,703</b></u>	<u><b>10,569</b></u>	<u><b>22,428</b></u>
<b>Earnings per share attributable to equity holders of the parent</b>				
<b>Basic earnings per share (sen) *</b>	<u><b>0.26</b></u>	<u><b>0.36</b></u>	<u><b>1.19</b></u>	<u><b>2.55</b></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 2011 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 2012  
(The figures have not been audited)

	31.12.2012 Unaudited RM'000	31.12.2011 Audited RM'000 (Restated)	01.01.2011 Audited RM'000 (Restated)
<b>ASSETS</b>			
<b>Non - Current assets</b>			
Property, plant and equipment	57,678	26,369	26,712
Investment properties	26,435	5,273	5,358
Investment in associate	-	1,792	4,142
Prepaid lease payment	325	350	375
Intangible assets	13,584	13,985	13,985
Deferred tax assets	1,766	-	-
	99,788	47,769	50,572
<b>Current assets</b>			
Inventories	2,484	1,595	1,404
Trade receivables	26,380	24,468	25,236
Other receivables	10,290	12,463	6,156
Tax recoverable	2,932	2,339	2,043
Investment in unit trusts	29	29	26
Cash and cash equivalents	28,232	45,347	37,471
	70,347	86,241	72,336
<b>TOTAL ASSETS</b>	<b>170,135</b>	<b>134,010</b>	<b>122,908</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the equity holders of the parent</b>			
Share capital	65,800	65,800	65,800
Share Premium	170	170	170
Other reserves	(1,748)	(240)	-
Retained earnings	34,995	32,971	22,559
	99,217	98,701	88,529
<b>Minority interest</b>	20,895	16,240	15,735
<b>Total equity</b>	120,112	114,941	104,264
<b>Non Current Liabilities</b>			
Retirement benefits obligation	579	125	1,652
Long term borrowings	-	-	-
Deferred tax liabilities	1,560	1,249	1,891
	2,139	1,374	3,543
<b>Current liabilities</b>			
Trade payables	3,401	3,369	5,382
Other payables	20,745	11,760	7,839
Short term borrowings	22,101	939	822
Taxation	1,637	1,627	1,058
	47,884	17,695	15,101
<b>Total Liabilities</b>	50,023	19,069	18,644
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>170,135</b>	<b>134,010</b>	<b>122,908</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.15	0.15	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 2011 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 2012  
(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			
<b>At 1 January 2011 (Restated)</b>	65,800	170	-	22,559	88,529	15,735	104,264
Total comprehensive income for the period	-	-	(240)	13,405	13,165	3,785	16,950
<b>Transactions with owners :</b>							
Dividends	-	-	-	(2,993)	(2,993)	(3,280)	(6,273)
<b>Total transactions with owners</b>	-	-	-	(2,993)	(2,993)	(3,280)	(6,273)
<b>At 31 December 2011 (Restated)</b>	<b>65,800</b>	<b>170</b>	<b>(240)</b>	<b>32,971</b>	<b>98,701</b>	<b>16,240</b>	<b>114,941</b>
<b>At 1 January 2012 (Restated)</b>	65,800	170	(240)	32,971	98,701	16,240	114,941
Total comprehensive income for the period	-	-	(1,508)	5,023	3,515	7,525	11,040
<b>Transactions with owners :</b>							
Dividends	-	-	-	(2,999)	(2,999)	(2,870)	(5,869)
<b>Total transactions with owners</b>	-	-	-	(2,999)	(2,999)	(2,870)	(5,869)
<b>At 31 December 2012</b>	<b>65,800</b>	<b>170</b>	<b>(1,748)</b>	<b>34,995</b>	<b>99,217</b>	<b>20,895</b>	<b>120,112</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 2011.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012**  
(Unaudited)

	<b>Cumulative Current Year Quarter 31.12.2012 RM'000</b>	<b>Cumulative Preceding Year Period 31.12.2011 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and minority interest	19,217	30,168
<b>Adjustments for :</b>		
Depreciation	5,333	3,898
Share of loss of associate	-	232
Amortisation of prepaid lease rental	25	25
Impairment of goodwill	401	-
Provision for retirement benefits obligation	579	812
Gain on disposal of associate	(3,193)	-
Gain on disposal of property, plant & equipment; net	83	16
Impairment loss on investment in associate	-	2,632
Provision for doubtful debts	2,033	311
Net unrealised foreign exchange loss	2,265	43
Finance cost	1,476	-
Profit income from deposits	(605)	(590)
<b>Operating profit before working capital changes</b>	<u>27,614</u>	<u>37,547</u>
<b>Working capital changes :</b>		
Increase in receivables	(24,579)	(11,425)
Increase in inventories and work-in-progress	(888)	(191)
Decrease/(increase) in payables	3,258	(2,406)
<b>Cash generated from operations</b>	<u>5,405</u>	<u>23,525</u>
Taxation paid	(3,097)	(7,005)
<b>Net cash generated from operating activities</b>	<u>2,308</u>	<u>16,520</u>
<b>Cash flows from investing activities</b>		
Net cash inflow/outflow on acquisition of a subsidiary	-	-
Proceeds from disposal of associate	4,984	-
Proceeds from disposal of property, plant & equipment	13,183	-
Purchase of property, plant & equipment	(56,357)	(3,488)
Profit received from deposits	605	590
<b>Net cash used in investing activities</b>	<u>(37,585)</u>	<u>(2,898)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(2)	-
Drawdown of borrowings	-	117
Dividend paid	(2,999)	(2,993)
Dividend to minority interest	-	(2,870)
<b>Net cash used in financing activities</b>	<u>(3,001)</u>	<u>(5,746)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(38,278)	7,876
<b>Cash and cash equivalents at 1 January 2012/2011</b>	<u>45,347</u>	<u>37,471</u>
<b>Cash and cash equivalents at 31 December 2012/2011</b>	<u>7,069</u>	<u>45,347</u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	28,232	45,347
Overdraft	(21,163)	-
	<u>7,069</u>	<u>45,347</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 2011 and the accompanying explanatory notes attached to the financial statements.

**SELECTED EXPLANATORY NOTES**

**1. Corporate information**

Progressive Impact Corporation Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements were approved by the Board of Directors on 26th February 2013.

**2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")**

These condensed consolidated interim financial statements for the year ended 31 December 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company registered office at Suite 5.02, Mercu Picorp, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 3 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

**3. Significant accounting policies and application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below :

**(a) Business combination**

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

SELECTED EXPLANATORY NOTES

3. Significant accounting policies and application of MFRS 1 (cont'd)

(b) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group recorded certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under *MFRS 116 Property, Plant and Equipment*. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land and buildings as at 28 November 2010 as deemed cost at the date of transition. The revaluation surplus of RM813,999 was transferred to retained earnings on the date of transition to MFRS.

(c) Investment properties

Under FRS, the Group recognised its investment properties using fair value which reflects market conditions at the reporting date. Upon transition to MFRS, the Group has elected to measure all its investment properties using the cost model under *MFRS 140 Investment Property*. Accordingly, as at 31 December 2011, the depreciation amount of RM85,489 were adjusted to retained earnings.

(d) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM345,458 were adjusted to retained earnings.

(e) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The effect of the above are as follows:

	As previously reported RM'000	Adjustments increase/ (decrease) RM'000	As restated RM'000
<b>1.1.2011</b>			
<b>Statement of financial position</b>			
Retained earnings	20,795	1,764	22,559
Deferred tax liabilities	3,171	(1,280)	1,891
Other reserves	2,591	(2,591)	-
<b>31.12.2011</b>			
<b>Statement of financial position</b>			
Investment properties	5,585	(312)	5,273
Retained earnings	29,193	3,778	32,971
Deferred tax liabilities	2,523	(963)	1,560
Other reserves	2,579	(2,819)	(240)
<b>Statement of comprehensive income</b>			
Other income	1,717	(227)	1,490
Depreciation and amortisation	3,898	85	3,983

**SELECTED EXPLANATORY NOTES**

**4. MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group :

	<b>Effective for annual period beginning on or after</b>
(a) MFRS 9 : Financial Instruments	1 January 2015
(b) MFRS 10 : Consolidated Financial Statements	1 January 2013
(c) MFRS 11 : Joint Arrangements	1 January 2013
(d) MFRS 12 : Disclosure of Interest in Other Entities	1 January 2013
(e) MFRS 13 : Fair Value Measurement	1 January 2013
(f) MFRS 119 : Employee Benefits	1 January 2013
(g) MFRS 127 : Separate Financial Statements	1 January 2013
(h) MFRS 128 : Investments in Associates and Joint Ventures	1 January 2013
(i) Amendments to MFRS 1 : Government Loans	1 January 2013
(j) Amendments to MFRS 7 : Disclosures - offsetting Financial Assets and Financial Liabilities	1 January 2013
(k) Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
(l) Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
(m) IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

**5. Changes in estimates**

There were no changes in estimates of amounts reported in prior financial quarter or financial year that have a material effect in the financial quarter under review.

**6. Changes in composition of the Group**

There was a change in the composition of the Group in the fourth quarter ended 31 December 2012, where the Company has disposed its entire shareholding in its associate, PJBumi Berhad for a consideration of RM0.311 per PJBumi's shares totalling to RM5.0 million. The proposed disposal was completed on 4 January 2013.

**7. Segment information**

<b>2012</b>	<b>Environmental Consulting &amp; Engineering Services</b>	<b>Laboratory Testing Services</b>	<b>Waste Management Engineering</b>	<b>Others*</b>	<b>Elimination</b>	<b>Cumulative Quarter ended 31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>						
External revenue	51,155	31,481	4,385	2,385	-	89,406
Inter- segment revenue	-	3,144	-	13,091	(16,262)	(27)
Total revenue	<u>51,155</u>	<u>34,625</u>	<u>4,385</u>	<u>15,476</u>	<u>(16,262)</u>	<u>89,379</u>
<b>Segment Results</b>						
Segment results/ Profit from operations	8,511	17,222	(1,809)	10,923	(14,154)	20,693
Finance costs	-	-	-	(1,476)	-	(1,476)
Share of loss of an associate						-
Taxation						<u>(7,140)</u>
Profit After Taxation						12,077
Minority Interest						<u>(4,254)</u>
Net profit for the year						<u><u>7,823</u></u>

SELECTED EXPLANATORY NOTES

7. Segment information (cont'd)

2011	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 30.9.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	52,759	28,479	6,614	-	-	87,852
Inter- segment revenue	-	3,390	-	13,470	(16,860)	-
Total revenue	<u>52,759</u>	<u>31,869</u>	<u>6,614</u>	<u>13,470</u>	<u>(16,860)</u>	<u>87,852</u>
<b>Segment Results</b>						
Segment results/ Profit from operations	14,253	16,429	(299)	8,521	(8,504)	30,400
Finance costs	-	-	-	-	-	-
Share of loss of an associate						(232)
Taxation						<u>(7,500)</u>
Profit After Taxation						22,668
Minority Interest						<u>(5,902)</u>
Net profit for the year						<u>16,766</u>

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

The Group is organised into three operating segments as follows based on products offered and services rendered :

- (a) The environmental consulting & engineering segment - providing environmental related services
- (b) The laboratory testing segment - chemical testing, consultancy service and other services of similar nature
- (c) The waste management engineering segment - provision of sewerage and solid waste management systems

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

**Environmental consulting & engineering**

For the fourth quarter ended 31 December 2012, Environmental consulting & engineering segment contributed 54% from the total Group's revenue. Revenue increased by 1% or RM0.29 million as compared to the preceding year corresponding period ended 31 December 2011 and 34% higher as compared to the third quarter ended 30 September 2012. The increase were mainly due to the Group has obtained the targeted contracts in the current quarter under review.

**Laboratory testing**

Laboratory testing segment contributed 40% of the total Group's revenue. 19% or RM1.57 million increased in revenue during the current quarter as compared to the preceding year corresponding period ended 31 December 2011 were mainly contributed by the foreign operation.

**Waste management engineering**

Waste management engineering segment recorded a revenue of RM1.24 million or a decrease of 35% during the current quarter as compared to RM1.94 million in the preceding year corresponding quarter ended 31 December 2012. The decrease were mainly due to the completion of projects in hand and delayed in securing the targeted contracts in the current quarter under review.

**SELECTED EXPLANATORY NOTES**

**7. Segment information (cont'd)**

**Consolidated profit before tax**

For the fourth quarter ended 31 December 2012, the Group's profit before tax (PBT) was RM19.22 million which is 36% lower as compared to the preceding year corresponding period ended 31 December 2011 of RM30.2 million. Reduction in PBT were mainly due to increase in depreciation cost which is attributable to the new office premise purchased by the Group during the year, recognition of unrealised forex loss for the amount due to the holding and related companies by a foreign subsidiary, provision of doubtful debts, funding costs for bank loan for the purchase of the property.

**8. Seasonality or cyclical**

The Group's performance is not affected by any seasonal or cyclical factors.

**9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	203	1,106	5,399	6,443
- Foreign Tax	1,576	907	1,741	1,057
Tax expense	<u>1,779</u>	<u>2,013</u>	<u>7,140</u>	<u>7,500</u>

The effective tax rate for the period under review was 37% which was high as compared to the current statutory rate of 25% due to reversal of temporary difference recognised in prior year.

**10. Earnings per share**

The basic earnings per share for the quarter and cumulative year to date are computed as follow:

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Profit for the period (RM'000)	<u>1,719</u>	<u>2,339</u>	<u>7,823</u>	<u>16,766</u>
Number of ordinary shares of RM0.10 each in issue ('000)	<u>658,000</u>	<u>658,000</u>	<u>658,000</u>	<u>658,000</u>
Basic Earnings Per Share (sen)	<u>0.26</u>	<u>0.36</u>	<u>1.19</u>	<u>2.55</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.

**11. Valuation of property, plant and equipment**

As disclosed in Note 3(b) above, the Group measured its land and building at the date of transition at its revalued amounts and uses that amounts as its deemed cost at that date.

**SELECTED EXPLANATORY NOTES**

**12. Borrowings**

	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>1.1.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured :</b>			
Short term borrowings	22,101	939	822
Long term borrowings	-	-	-
<b>Total borrowings</b>	<b>22,101</b>	<b>939</b>	<b>822</b>

**13. Dividends**

At the fourthcoming Annual General Meeting, a final dividend in respect of financial year ended 31 December 2012 of 0.76 sen per share less tax at 25% on 658,000,000 ordinary shares amounting to a dividend payable of RM3,750,600 ( 0.57 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 no 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 2013.

**14. Commitments**

	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>1.1.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>			
Approved and contracted for :			
Property, plant & equipment	-	309	9
Approved but not contracted for :			
Property, plant & equipment	2,392	2,743	2,929
	<b>2,392</b>	<b>3,052</b>	<b>2,938</b>

**15. Contingent liabilities and contingent assets**

There were no material changes in contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 31 December 2011.

**16. Related party transactions**

The transactions between related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

**17. Events after the reporting period**

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

**18. 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 2012.

**19. 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.

**SELECTED EXPLANATORY NOTES**

**EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS : CHAPTER 9, APPENDIX 9B, PART A**

**20. Performance review**

Explanatory comment on the performance of each of the Group's business activities is provided in Note 7.

**21. 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.

**22. 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 2013.

**23. Profit forecast or profit guarantee**

There were no profit forecast or profit guarantee issued by the Group.

**24. Corporate proposals**

There are no corporate proposals announced but not completed as at the date of issue of these financial statements.

**25. Disclosure of gains/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2012 and 31 December 2011.

**26. 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.

**27. 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 2012.

**SELECTED EXPLANATORY NOTES**

**28. Breakdown of realised and unrealised profits or losses**

The breakdown of the retained profits of the Group as at 31 December 2012 and 31 December 2011 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, 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.

	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
Total retained profits of the Group :		
Realised	35,585	27,762
Unrealised	1,560	3,794
	<u>37,145</u>	<u>31,556</u>
Total share of retained profits from an associate :		
Realised	-	336
Unrealised	-	-
	<u>-</u>	<u>336</u>
Add/(less) : Consolidation adjustments	(2,150)	1,079
Total Group's retained profits as per consolidated accounts	<u>34,995</u>	<u>32,971</u>

**29. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

**30. Limited review by external auditors**

The Group's quarterly results for the fourth quarter ended 31 December 2012 have been reviewed by the Company's external auditors except for the comparatives, which was not been reviewed.

By order of the Board  
**PROGRESSIVE IMPACT CORPORATION BERHAD**  
Hajjah Zaidah Binti Haji Mohd Salleh  
Company Secretary (MIA 3313)

Shah Alam