

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2013
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.03.2013 RM'000	Corresponding Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Corresponding Period 31.03.2012 RM'000
Revenue	23,099	23,437	23,099	23,437
Cost of sales	(7,017)	(7,067)	(7,017)	(7,067)
Gross profit	16,082	16,370	16,082	16,370
Interest income	46	119	46	119
Other income	3,619	101	3,619	101
Staff costs	(5,103)	(4,836)	(5,103)	(4,836)
Depreciation and amortisation	(1,430)	(1,006)	(1,430)	(1,006)
Other operating expenses	(3,761)	(3,259)	(3,761)	(3,259)
Profit from operation	9,453	7,489	9,453	7,489
Finance costs	(315)	-	(315)	-
Profit before tax	9,138	7,489	9,138	7,489
Income tax expense	(1,556)	(2,102)	(1,556)	(2,102)
Profit net of tax	7,582	5,387	7,582	5,387
Other comprehensive income :				
Foreign currency translation	355	(453)	355	(453)
Other comprehensive income, net of tax	355	(453)	355	(453)
Total comprehensive income for the period	7,937	4,934	7,937	4,934
Profit attributable to :				
Owners of the parent	4,880	3,994	4,880	3,994
Minority interest	2,702	1,393	2,702	1,393
	7,582	5,387	7,582	5,387
Total comprehensive income attributable to :				
Owners of the parent	5,338	3,408	5,338	3,408
Minority interest	2,599	1,526	2,599	1,526
	7,937	4,934	7,937	4,934
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	0.74	0.61	0.74	0.61

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 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 2013
(The figures have not been audited)

	Unaudited 31.03.2013 RM'000	Audited 31.12.2012 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	56,134	58,069
Investment properties	26,613	26,445
Prepaid lease payment	323	325
Intangible assets	13,662	13,583
Deferred tax assets	2,418	1,846
	99,150	100,268
Current assets		
Inventories	2,010	1,859
Trade & other receivables	45,653	39,882
Investment in unit trusts	26	26
Cash and cash equivalents	20,391	28,453
	68,080	70,220
TOTAL ASSETS	167,230	170,488
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	1,007	652
Retained earnings	41,434	36,554
	108,411	103,176
Minority interest	20,337	17,738
Total equity	128,748	120,914
Non Current Liabilities		
Retirement benefits obligation	580	579
Deferred taxation	1,723	2,009
	2,303	2,588
Current liabilities		
Trade and other payables	25,137	23,393
Short term borrowings	9,384	22,100
Taxation	1,658	1,493
	36,179	46,986
Total Liabilities	38,482	49,574
TOTAL EQUITY AND LIABILITIES	167,230	170,488
Net assets per share attributable to equity holders of the parent (RM)	0.16	0.16

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 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 2013
(The figures have not been audited)

	← Attributable to owners of the company →				Non-controlling Interest		Total Equity RM'000
	Share Capital RM'000	Non Distributable Share Premium RM'000	Other Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interest RM'000	
At 1 January 2012	65,800	170	(239)	32,631	98,362	16,240	114,602
Total comprehensive income for the period	-	-	713	7,101	7,814	4,367	12,181
Transfer	-	-	178	(178)	-	-	-
At 31 March 2012	65,800	170	652	39,554	106,176	20,607	126,783
At 1 January 2013	65,800	170	652	36,554	103,176	17,738	120,914
Total comprehensive income for the period	-	-	355	4,880	5,235	2,599	7,834
At 31 March 2013	65,800	170	1,007	41,434	108,411	20,337	128,748

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 2012.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2013
(Unaudited)

	Cumulative Current Year Quarter 31.03.2013 RM'000	Cumulative Preceding Year Period 31.03.2012 RM'000
Cash flows from operating activities		
Profit before taxation	9,138	7,489
Adjustments for :		
Depreciation	1,430	1,006
Amortisation of prepaid lease rental	2	6
Provision for retirement benefits obligation	1	33
Gain on disposal of property, plant & equipment; net	(3,598)	(1)
Net unrealised foreign exchange gain	-	(321)
Finance cost	315	-
Profit income from deposits	(47)	(119)
Operating profit before working capital changes	<u>7,241</u>	<u>8,093</u>
Working capital changes :		
Increase in receivables	(5,771)	(7,561)
Increase in inventories and work-in-progress	(151)	(1,053)
Increase/(decrease) in payables	5,074	(2,417)
Cash generated from operations	<u>6,393</u>	<u>(2,938)</u>
Finance cost paid	(315)	-
Taxation paid	(1,391)	(2,095)
Net cash generated from / (used in) operating activities	<u>4,687</u>	<u>(5,033)</u>
Cash flows from investing activities		
Addition to intangible assets	(79)	-
Proceeds from disposal of property, plant & equipment	-	-
Purchase of property, plant & equipment	-	(1,588)
Profit received from deposits	47	119
Net cash used in investing activities	<u>(32)</u>	<u>(1,469)</u>
Cash flows from financing activities		
Repayment of borrowings	(404)	(121)
Net cash used in financing activities	<u>(404)</u>	<u>(121)</u>
Net increase/(decrease) in cash and cash equivalents	4,251	(6,623)
Cash and cash equivalents at 1 January 2013/2012	<u>7,290</u>	<u>45,347</u>
Cash and cash equivalents at 31 March 2013/2012	<u>11,541</u>	<u>38,724</u>
Cash and cash equivalents :		
Cash and bank balances	20,391	38,724
Overdraft	(8,850)	-
	<u>11,541</u>	<u>38,724</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2012 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 31 May 2013.

2. Basis of preparation

The consolidated condensed interim financial information for the 3 months ended 31 March 2013 has been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 "Interim financial reporting" and Appendix 9B (Part A) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements"). The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2012, which have been prepared in accordance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The significant accounting policies and methods adopted for the consolidated condensed interim financial information are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2012.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 January 2013 has not had a material impact on the financial performance and financial position of the Group upon their initial application.

MFRS 3	Business Combinations (revised)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 127	Consolidated and Separate Financial Statements (revised)
Amendment to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvement 2009-2011 Cycle)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 7	Financial Instruments: Disclosures—Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - (Annual Improvement 2009-2011 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance

3. 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 :

	Effective for annual period beginning on or after
a) Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
b) MFRS 9 : Financial Instruments	1 January 2015

SELECTED EXPLANATORY NOTES

4. 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.

5. Changes in composition of the Group

Apart from disposal of PJBumi in previous year quarter period 31 December 2012, there was no changes in the composition of the Group for the current quarter 31 March 2013.

6. Segment information

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.3.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	11,983	7,868	2,406	842	-	23,099
Inter- segment revenue	-	730	-	199	(929)	-
Total revenue	<u>11,983</u>	<u>8,598</u>	<u>2,406</u>	<u>1,041</u>	<u>(929)</u>	<u>23,099</u>
Segment Results						
Segment results/ Profit from operations	2,545	7,230	497	(796)	(22)	9,454
Financing cost	-	-	-	(316)	-	(316)
Taxation						<u>(1,556)</u>
Profit After Taxation						7,582
Minority Interest						<u>(2,702)</u>
Net profit for the year						<u>4,880</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 :

- The environmental consulting & engineering segment - providing environmental related services
- The laboratory testing segment - chemical testing, consultancy service and other services of similar nature
- 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 first quarter ended 31 March 2013, Environmental consulting & engineering segment contributed 52% from the total Group's revenue. Revenue decreased by 18% or RM2.7 million during the current quarter as compared to the preceding year corresponding quarter ended 31 March 2012. The decrease were mainly due to the significant decrease in the foreign operation's revenue as compared to the preceding year corresponding quarter ended 31 March 2012.

Laboratory testing

Laboratory testing segment contributed 37% of the total Group's revenue. The segment shows slight increase by 1% as compared to the previous year corresponding period 31 March 2012.

SELECTED EXPLANATORY NOTES

6. Segment information (cont'd)

Waste management engineering

Waste management engineering segment recorded a revenue of RM2,4 million during the current quarter as compared to RM 0.89mil in the preceding year corresponding quarter ended 31 March 2012. The increase is contributed by the new projects secured by the Company during the current quarter.

Consolidated profit before tax

For the first quarter ended 31 March 2013, the Group's profit before tax (PBT) was RM9.13 million which is 22% higher as compared to the preceding year corresponding period ended 31 March 2012 of RM7.49 million. Increased in PBT were mainly contributed by the gain on disposal of property by a subsidiary during the current quarter under reviewed.

7. Seasonality or cyclicity

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

8. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	1,247	1,764	1,247	1,764
- Foreign Tax	309	338	309	338
Tax expense	<u>1,556</u>	<u>2,102</u>	<u>1,556</u>	<u>2,102</u>

The effective tax rate for the current quarter under review was 16% which was lower as compared to the current statutory rate of 25% due to the gain on disposal of property which is not subject to income tax. Excluding the gain on disposal of the property, the effective tax rate is 26%.

9. Earnings per share

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

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Profit for the period (RM'000)	<u>4,880</u>	<u>3,994</u>	<u>4,880</u>	<u>3,994</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>0.74</u>	<u>0.61</u>	<u>0.74</u>	<u>0.61</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.

10. 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

11. Borrowings

	31.3.2012 RM'000	31.12.2012 RM'000
Short term borrowings		
Secured	9,384	22,100

12. Dividends

No interim ordinary dividend has been declared for the financial period ended 31 March 2013 (31 March 2012 : Nil).

13. Commitments

	31.3.2013 RM'000	31.12.2012 RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	20	2,392
Approved but not contracted for :		
Property, plant & equipment	1,032	-
	<u>1,052</u>	<u>2,392</u>

14. 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 2012.

15. 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.

16. Events after the reporting period

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

17. 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 2013.

18. 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

19. Performance review

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

20. 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.

21. 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.

22. Profit forecast or profit guarantee

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

23. Corporate proposals

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

24. 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 March 2013 and 31 December 2012.

25. 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.

26. 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

27. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 March 2013 and 31 December 2012 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.

	31.3.2013	31.12.2012
	RM'000	RM'000
Total retained profits of the Group :		
Realised	36,094	31,214
Unrealised	1,723	3,047
	<u>37,817</u>	<u>34,261</u>
Total share of retained profits from an associate :		
Realised	-	-
Unrealised	-	-
	<u>-</u>	<u>-</u>
Add/(less) : Consolidation adjustments	3,617	2,291
Total Group's retained profits as per consolidated accounts	<u>41,434</u>	<u>36,552</u>

28. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not qualified.

29. Limited review by external auditors

The Company's and its subsidiaries' quarterly results for the first quarter ended 31 March 2013 have been submitted to the Company's external auditors for review.

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

Shah Alam