

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

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2013 RM'000	Corresponding Quarter 31.12.2012 RM'000	Current Year To Date 31.12.2013 RM'000	Corresponding Period 31.12.2012 RM'000
Revenue	27,662	23,736	97,528	89,379
Cost of sales	(7,006)	(8,289)	(26,176)	(26,705)
Gross profit	20,656	15,447	71,352	62,674
Interest income	(318)	152	375	605
Other income	415	2,704	3,716	3,452
Staff costs	(6,130)	(5,626)	(22,333)	(21,164)
Depreciation and amortisation	(964)	(1,890)	(5,266)	(5,333)
Other operating expenses	(4,142)	(5,844)	(14,279)	(19,541)
Profit from operation	9,517	4,943	33,565	20,693
Finance costs	154	(348)	(442)	(1,476)
Share of loss of an associate	-	-	-	-
Profit before tax	9,671	4,595	33,123	19,217
Income tax expense	(2,457)	(1,779)	(7,920)	(7,140)
Profit net of tax	7,214	2,816	25,203	12,077
Other comprehensive income :				
Foreign currency translation	12	(2,288)	(1,616)	(1,508)
Other comprehensive income, net of tax	12	(2,288)	(1,616)	(1,508)
Total comprehensive income for the period	7,226	528	23,587	10,569
Profit attributable to :				
Owners of the parent	5,443	1,719	17,197	7,823
Minority interest	1,771	1,097	8,006	4,254
	7,214	2,816	25,203	12,077
Total comprehensive income attributable to :				
Owners of the parent	1,699	(1,862)	11,929	5,023
Minority interest	5,527	2,390	11,658	5,546
	7,226	528	23,587	10,569
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	0.83	0.26	2.61	1.19

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
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013
(The figures have not been audited)

	Unaudited 31.12.2013 RM'000	Audited 31.12.2012 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	58,863	58,069
Investment properties	26,202	26,445
Prepaid lease payment	300	325
Intangible assets	13,662	13,583
Deferred tax assets	3,408	1,846
	102,435	99,788
Current assets		
Inventories	768	1,859
Trade & other receivables	41,688	39,882
Investment in unit trusts	28	26
Cash and cash equivalents	16,906	28,453
	59,390	70,347
TOTAL ASSETS	161,825	170,135
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	(964)	652
Retained earnings	43,175	36,554
	108,181	99,217
Minority interest	25,911	20,895
Total equity	134,092	120,112
Non Current Liabilities		
Retirement benefits obligation	739	579
Deferred tax liabilities	2,215	2,009
	2,954	2,139
Current liabilities		
Trade and other payables	21,156	23,393
Short term borrowings	3,027	22,100
Taxation	596	1,493
	24,779	47,884
Total Liabilities	27,733	50,023
TOTAL EQUITY AND LIABILITIES	161,825	170,135
Net assets per share attributable to equity holders of the parent (RM)	0.16	0.15

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 FOURTH QUARTER ENDED 31 DECEMBER 2013
(The figures have not been audited)

	← Attributable to owners of the company →				Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Non Distributable Share Premium RM'000	Other Reserves RM'000	Distributable Retained Profits RM'000			
At 1 January 2012(Restated)	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
Transactions with owners :							
Dividends paid to non- controlling interest	-	-	-	-	-	(2,870)	(2,870)
Dividends	-	-	-	(2,999)	(2,999)	-	(2,999)
At 31 December 2012	65,800	170	(1,748)	34,995	99,217	20,895	120,112
At 1 January 2013 (restated)	65,800	170	652	32,689	99,311	17,738	117,049
Total comprehensive income for the period	-	-	(1,616)	17,197	15,581	11,658	27,239
Transactions with owners :							
Dividends paid to non- controlling interest	-	-	-	-	-	(3,485)	(3,485)
Dividends	-	-	-	(6,711)	(6,711)	-	(6,711)
At 31 December 2013	65,800	170	(964)	43,175	108,181	25,911	134,092

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 FOURTH QUARTER ENDED 31 DECEMBER 2013
(Unaudited)

	Cumulative Current Year Quarter 31.12.2013 RM'000	Cumulative Preceding Year Period 31.12.2012 RM'000
Cash flows from operating activities		
Profit before taxation	33,123	19,217
Adjustments for :		
Depreciation	5,266	5,333
Share of loss of an associate	-	-
Amortisation of prepaid lease rental	25	25
Impairment of goodwill	-	401
Provision for retirement benefits obligation	160	579
Gain on disposal of associate	-	(3,193)
Gain on disposal of property, plant & equipment; net	(3,020)	83
Provision for doubtful debts	-	2,033
Net unrealised foreign exchange (gain)/loss	(245)	2,265
Finance cost	442	1,476
Profit income from deposits	(375)	(605)
Operating profit before working capital changes	<u>35,376</u>	<u>27,614</u>
Working capital changes :		
Increase in receivables	(6,185)	(24,579)
(Increase)/decrease in inventories and work-in-progress	1,716	(888)
Increase in payables	(2,990)	3,258
Cash generated from operations	<u>27,917</u>	<u>5,405</u>
Finance cost paid	(442)	-
Taxation paid	(8,961)	(3,097)
Net cash generated from operating activities	<u>18,514</u>	<u>2,308</u>
Cash flows from investing activities		
Addition to intangible assets	(78)	-
Proceeds from disposal of associate	-	4,984
Proceeds from disposal of property, plant & equipment	6,200	13,183
Purchase of property, plant & equipment	(10,758)	(56,357)
Profit received from deposits	375	605
Net cash used in investing activities	<u>(4,261)</u>	<u>(37,585)</u>
Cash flows from financing activities		
Repayment of borrowings	(691)	(2)
Dividend paid	(6,711)	(2,999)
Net cash used in financing activities	<u>(7,402)</u>	<u>(3,001)</u>
Net increase/(decrease) in cash and cash equivalents	6,851	(38,278)
Cash and cash equivalents at 1 January 2013/2012	<u>7,290</u>	<u>45,347</u>
Cash and cash equivalents at 31 December 2013/2012	<u>14,141</u>	<u>7,069</u>
Cash and cash equivalents :		
Cash and bank balances	16,906	28,232
Overdraft	(2,765)	(21,163)
	<u>14,141</u>	<u>7,069</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.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013
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 28 February 2014.

2. Basis of preparation

The consolidated condensed interim financial information for the 12 months ended 31 December 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 MFRS, 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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013
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

There was no changes in the composition of the Group for the current quarter 31 December 2013.

6. Segment information

31 December 2013	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	54,729	32,463	6,835	3,501	-	97,528
Inter- segment revenue	-	3,480	-	14,610	(18,090)	-
Total revenue	<u>54,729</u>	<u>35,943</u>	<u>6,835</u>	<u>18,111</u>	<u>(18,090)</u>	<u>97,528</u>

Segment Results						
Segment results/ Profit from operations	15,440	22,083	191	9,391	(13,540)	33,565
Financing cost	-	-	-	(798)	356	(442)
Taxation						(7,920)
Profit After Taxation						<u>25,203</u>
Minority Interest						<u>(8,006)</u>
Net profit for the period						<u>17,197</u>

31 December 2012	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
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>

Segment Results						
Segment results/ Profit from operations	8,511	17,222	(1,809)	10,923	(14,154)	20,693
Financing cost	-	-	-	(1,476)	-	(1,476)
Taxation						(7,140)
Profit After Taxation						<u>12,077</u>
Minority Interest						<u>(4,254)</u>
Net profit for the period						<u>7,823</u>

* The segment denotes as "others" includes the results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries involves in investment holding and investment property division.

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 waste water treatment solution system.

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.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013
SELECTED EXPLANATORY NOTES

6. Segment information (cont'd)

Environmental consulting & engineering

For the fourth quarter ended 31 December 2013, Environmental consulting & engineering segment contributed 56% from the total Group's revenue. Revenue increased by 7% or RM3.5 million during the period ended as compared to the preceding year corresponding period ended 31 December 2012. The increase were mainly due to the increase of revenue from environmental monitoring works.

Laboratory testing

Laboratory testing segment contributed 37% of the total Group's revenue. The segment shows an increase by 4% as compared to the previous year corresponding period ended 31 December 2012 mainly contributed by the increase of sales from the operation in Indonesia.

Waste management engineering

Waste management engineering segment recorded a revenue of RM6.8 million during the period ended 31 December 2013 as compared to RM 4.38 million in the preceding year corresponding period ended 31 December 2012. The increase is contributed by the new projects secured by the subsidiary during the period ended 31 December 2013 .

Consolidated profit before tax

For the year ended 31 December 2013, the Group's profit before tax (PBT) was RM33.5 million which is 75% higher as compared to the preceding year corresponding period ended 31 December 2012 of RM19.0 million. Increased in PBT were mainly contributed by the gain on disposal of property by a subsidiary amounting to RM 3.0 million during the year and increase of operational profit in all the segments.

7. Seasonality or cyclical

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

8. (Loss)/profit before taxation

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before taxation is arrived at after charging/(crediting):				
Gain on disposal of PPE	-	-	3,020	-
Foreign exchange (gain)/loss	(388)	2,133	(245)	2,265

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(Company No. 203352-V)

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013
SELECTED EXPLANATORY NOTES

9. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	3,071	203	6,793	5,399
- Foreign Tax	(614)	1,576	1,127	1,741
Tax expense	<u>2,457</u>	<u>1,779</u>	<u>7,920</u>	<u>7,140</u>

The effective tax rate for the cumulative quarter under review was 24% which was slightly lower as compared to the current statutory rate of 25% mainly due to the non taxable gain on disposal of property in ALS Technichem (M) Sdn. Bhd.

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Profit for the period (RM'000)	<u>5,443</u>	<u>1,719</u>	<u>17,197</u>	<u>7,823</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>0.83</u>	<u>0.26</u>	<u>2.61</u>	<u>1.19</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

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.

12. Borrowings

	31.12.2013	31.12.2012
	RM'000	RM'000
Short term borrowings		
Overdraft	2,765	21,162
Term loan	262	939
	<u>3,027</u>	<u>22,101</u>

13. Dividends

In respect of the financial year ended 31 December 2012 as reported in the directors' report of that year:

Final dividend of 0.76 sen per share less 25% taxation on 658,000,000 ordinary shares , amounting to a net dividend of RM 3,750,600 has been approved by shareholders on 23 May 2013 and paid on 14 June 2013.

In respect of the financial year ended 31 December 2013:

The Board of Director has on 29 August 2013 approved the payment of an interim dividend of 0.60 sen per share less 25% taxation on 658,000,000 ordinary shares, amounting to a net dividend of RM 2,961,000. The dividend has been paid on 20 September 2013 to all shareholders on the Register Member at the close of business at 6 September 2013.

At the forthcoming Annual General Meeting, a final net dividend of 0.65 sen per share in respect of financial year ended 31 December 2013 amounting to a dividend payable of RM 4,277,000 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 2014.

PROGRESSIVE IMPACT CORPORATION BERHAD
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SELECTED EXPLANATORY NOTES

14. Commitments

	31.12.2013	31.12.2012
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	969	2,392
Approved but not contracted for :		
Property, plant & equipment	1,063	-
	<u>2,032</u>	<u>2,392</u>

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 2012.

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 2013.

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.

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 6.

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 2014.

23. Profit forecast or profit guarantee

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

PROGRESSIVE IMPACT CORPORATION BERHAD
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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013
SELECTED EXPLANATORY NOTES

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 2013.

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.

28. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 December 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.

	31.12.2013	31.12.2012
	RM'000	RM'000
Total retained profits of the Group :		
Realised	48,411	31,214
Unrealised	2,215	3,047
	<u>50,626</u>	<u>34,261</u>
Add/(less) : Consolidation adjustments	(7,451)	2,291
Total Group's retained profits as per consolidated accounts	<u>43,175</u>	<u>36,552</u>

29. 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.

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

Shah Alam