

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.09.2014 RM'000	Corresponding Quarter 30.09.2013 RM'000	Current Year To Date 30.09.2014 RM'000	Corresponding Period 30.09.2013 RM'000
Revenue	21,535	24,613	62,836	69,866
Cost of sales	(4,880)	(6,979)	(15,588)	(19,170)
Gross profit	16,655	17,634	47,248	50,696
Profit income	49	341	278	693
Other income	12	- 353	74	3,301
Staff costs	(5,675)	(5,655)	(16,199)	(16,203)
Depreciation and amortisation	(1,563)	(1,464)	(4,949)	(4,302)
Other operating expenses	(2,586)	(3,105)	(9,954)	(10,137)
Profit from operations	6,892	7,398	16,498	24,048
Finance costs	(20)	(135)	(88)	(596)
Share of loss of an associate	-	-	-	-
<b>Profit before tax</b>	<b>6,872</b>	<b>7,263</b>	<b>16,410</b>	<b>23,452</b>
Income tax expense	(1,404)	(2,278)	(5,985)	(5,463)
<b>Profit net of tax</b>	<b>5,468</b>	<b>4,985</b>	<b>10,425</b>	<b>17,989</b>
<b>Other comprehensive income :</b>				
Foreign currency translation	(3,874)	(1,511)	(1,868)	(1,628)
<b>Other comprehensive income, net of tax</b>	<b>(3,874)</b>	<b>(1,511)</b>	<b>(1,868)</b>	<b>(1,628)</b>
<b>Total comprehensive income for the period</b>	<b>1,594</b>	<b>3,474</b>	<b>8,557</b>	<b>16,361</b>
<b>Profit attributable to :</b>				
Owners of the parent	4,302	3,331	7,089	11,754
Non-controlling interest	1,166	1,654	3,336	6,235
	<b>5,468</b>	<b>4,985</b>	<b>10,425</b>	<b>17,989</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the parent	2,016	872	5,987	10,230
Non-controlling interest	(422)	2,602	2,570	6,131
	<b>1,594</b>	<b>3,474</b>	<b>8,557</b>	<b>16,361</b>
<b>Earnings per share attributable to equity holders of the parent</b>				
<b>Basic earnings per share (sen) *</b>	<b>0.65</b>	<b>0.51</b>	<b>1.08</b>	<b>1.79</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 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 30 SEPTEMBER 2014**  
**(The figures have not been audited)**

	<b>Unaudited 30.09.2014 RM'000</b>	<b>Audited 31.12.2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,963	58,789
Investment properties	25,480	25,889
Prepaid lease payment	281	300
Intangible assets	13,584	13,584
Deferred tax assets	2,375	2,094
	101,683	100,656
<b>Current assets</b>		
Inventories	1,984	768
Trade and other receivables	46,944	41,397
Investment in unit trusts	28	28
Cash and cash equivalents	18,909	16,904
	67,865	59,097
<b>TOTAL ASSETS</b>	169,548	159,753
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	(2,978)	(1,110)
Retained earnings	50,243	45,394
	113,235	110,254
Non-controlling interest	23,914	21,344
<b>Total equity</b>	137,149	131,598
<b>Non-current Liabilities</b>		
Retirement benefits obligation	839	739
Deferred tax liabilities	2,426	2,426
	3,265	3,165
<b>Current liabilities</b>		
Trade and other payables	23,220	21,259
Short term borrowings	4,024	3,027
Taxation	1,890	704
	29,134	24,990
<b>Total Liabilities</b>	32,399	28,155
<b>TOTAL EQUITY AND LIABILITIES</b>	169,548	159,753
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.17	0.17

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 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 THIRD QUARTER ENDED 30 SEPTEMBER 2014**  
(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			
<b>At 1 January 2013</b>	65,800	170	652	36,554	103,176	17,738	120,914
Total comprehensive income for the period	-	-	(1,628)	11,754	10,126	6,131	16,257
<b>Transactions with owners :</b>							
Dividends	-	-	-	(6,711)	(6,711)	-	(6,711)
<b>At 30 Sept 2013</b>	<b>65,800</b>	<b>170</b>	<b>(976)</b>	<b>41,597</b>	<b>106,591</b>	<b>23,869</b>	<b>130,460</b>
<b>At 1 January 2014</b>	65,800	170	(1,110)	45,394	110,254	21,344	131,598
Total comprehensive income for the period	-	-	(1,868)	7,089	5,221	3,336	8,557
Transfer	-	-	-	2,037	2,037	(766)	1,271
<b>Transactions with owners :</b>							
Dividends	-	-	-	(4,277)	(4,277)	-	(4,277)
<b>At 30 Sept 2014</b>	<b>65,800</b>	<b>170</b>	<b>(2,978)</b>	<b>50,243</b>	<b>113,235</b>	<b>23,914</b>	<b>137,149</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 2013.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**  
**(Unaudited)**

	<b>Cumulative Current Year Quarter 30.09.2014 RM'000</b>	<b>Cumulative Preceding Year Period 30.09.2013 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	16,410	23,452
<b>Adjustments for :</b>		
Depreciation	4,930	4,689
Share of loss of an associate		-
Amortisation of prepaid lease rental	19	19
Provision for retirement benefits obligation	100	62
Gain on disposal of property, plant & equipment; net	-	(3,020)
Net unrealised foreign exchange (gain)/loss	830	(150)
Finance cost	88	596
Profit income from deposits	(278)	(693)
<b>Operating profit before working capital changes</b>	<u>22,099</u>	<u>24,955</u>
Working capital changes :		
Increase in receivables	(6,827)	(1,619)
(Increase)/decrease in inventories and work-in-progress	(1,216)	(121)
Increase in payables	1,961	2,096
<b>Cash generated from operations</b>	<u>16,017</u>	<u>25,311</u>
Finance cost paid	(88)	(596)
Taxation paid	(4,799)	(5,303)
<b>Net cash generated from operating activities</b>	<u>11,130</u>	<u>19,412</u>
<b>Cash flows from investing activities</b>		
Addition to intangible assets	-	(79)
Proceeds from disposal of property, plant & equipment	-	6,200
Purchase of property, plant & equipment	(6,123)	(10,758)
Profit received from deposits	278	693
<b>Net cash used in investing activities</b>	<u>(5,845)</u>	<u>(3,944)</u>
<b>Cash flows from financing activities</b>		
Drawdown/(repayment) of borrowings	1,487	(691)
Dividend paid	(4,277)	(6,711)
<b>Net cash used in financing activities</b>	<u>(2,790)</u>	<u>(7,402)</u>
<b>Net increase in cash and cash equivalents</b>	2,495	8,066
<b>Cash and cash equivalents at 1 January 2014/2013</b>	<u>14,139</u>	<u>7,290</u>
<b>Cash and cash equivalents at 30 September 2014/2013</b>	<u>16,634</u>	<u>15,356</u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	18,909	16,817
Overdraft	(2,275)	(1,461)
	<u>16,634</u>	<u>15,356</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 2013 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 24 November 2014.

**2. Basis of preparation**

The consolidated condensed interim financial information for the 9 months ended 30 September 2014 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 2013, 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 2013 except for the adoption of the new and revised MFRSs, amendments and IC Interpretation that are applicable to the Group for the financial period beginning on or after 1 January 2014 as set out below :

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets

The adoption of the above amendments and IC Interpretation did not have any significant impact on the financial statements of the Group and of the Company during the current quarter and financial period.

**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 :

<b>MFRSs</b>	<b>Effective for annual period beginning on or after</b>
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Amendment to MFRS 11: Accounting for Acquisitions of Interests in Joint Ventures	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 15 : Revenue from Contracts with Customers	1 January 2017
MFRS 9* Financial Instruments [IFRS 9 issued by IASB in November 2009 and October 2010]	To be announced
MFRS 9* Financial Instruments Mandatory effective date of MFRS 9 and Transitional Disclosures (Amendments to MFRS 9 and MFRS 7)	To be announced
MFRS 9* Financial Instruments : Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

\* On 24 July 2014, the ISAB issued the final version of IFRS 9 Financial Instruments. This standard will come into effect on 1 January 2018, with early application permitted.

The adoption of the above standards and interpretations will not have any material impact to the financial statements upon their initial application except for the adoption of MFRS 9 Financial Instruments. The Group will assess the financial impact of the MFRS 9 when the full standard is issued.

**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.

SELECTED EXPLANATORY NOTES

5. Changes in composition of the Group

There was no changes in the composition of the Group for the current quarter 30 September 2014.

6. Segment information

30 September 2014

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 30.9.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	29,225	27,720	3,141	2,750	-	62,836
Inter- segment revenue	179	3,119	-	709	(4,007)	-
Total revenue	<u>29,404</u>	<u>30,839</u>	<u>3,141</u>	<u>3,459</u>	<u>(4,007)</u>	<u>62,836</u>
<b>Segment Results</b>						
Segment results/ Profit from operations	6,633	14,661	(1,093)	(3,326)	(377)	16,498
Financing cost	-	-	-	(1,968)	1,880	(88)
Taxation						<u>(5,985)</u>
Profit After Taxation						10,425
Non-controlling interest						<u>(3,336)</u>
Net profit for the period						<u>7,089</u>

30 September 2013

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 30.9.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	36,774	24,138	6,340	2,614	-	69,866
Inter- segment revenue	-	2,484	-	3,663	(6,147)	-
Total revenue	<u>36,774</u>	<u>26,622</u>	<u>6,340</u>	<u>6,277</u>	<u>(6,147)</u>	<u>69,866</u>
<b>Segment Results</b>						
Segment results/ Profit from operations	9,253	16,661	1,209	(44)	(3,031)	24,048
Financing cost	-	-	-	(603)	7	(596)
Taxation						<u>(5,463)</u>
Profit After Taxation						17,989
Non-controlling interest						<u>(6,235)</u>
Net profit for the period						<u>11,754</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 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.

**SELECTED EXPLANATORY NOTES**

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

**Environmental consulting & engineering**

For the third quarter ended 30 September 2014, Environmental consulting & engineering segment contributed 47% from the total Group's revenue. Revenue decreased by 21% or RM7.6 million during the period ended as compared to the preceding year corresponding period ended 30 September 2013. The decrease were mainly due to the decrease in the foreign operation's revenue as compared to the preceding year corresponding period ended 30 September 2013.

**Laboratory testing**

Laboratory testing segment contributed 44% of the total Group's revenue. The segment shows an increase by 15% as compared to the previous year corresponding period ended 30 September 2013 mainly contributed by the increase of sales from the operation in Malaysia and Indonesia.

**Waste management engineering**

Waste management engineering segment recorded a revenue of RM3.1 million during the period ended 30 September 2014 as compared to RM6.3 million in the preceding year corresponding period ended 30 September 2013. The decrease due to lesser projects in hand for the segment in the current quarter.

**Consolidated profit before tax**

For the third quarter ended 30 September 2014, the Group's profit before tax (PBT) was RM6.87 million which is 5% lower as compared to the preceding year corresponding period ended 30 September 2013 of RM7.26 million. Decreased was due to reduction of revenues and increase of depreciation and other operating expenses in the Indonesia operation.

**7. Seasonality or cyclical**

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

**8. Profit before taxation**

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Gain on disposal of PPE	-	-	-	3,020
Foreign exchange (gain)/loss (net)	180	(150)	187	(150)

**9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	1,006	1,540	4,213	4,336
- Foreign Tax	390	738	1,019	1,127
- Deferred Tax	8	-	753	-
Tax expense	1,404	2,278	5,985	5,463

The effective tax rate for the current quarter under review is higher compared to the current statutory rate of 25% due to deferred tax assets not recognisable.

SELECTED EXPLANATORY NOTES

10. 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 9 months ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Profit for the period (RM'000)	4,302	3,331	7,089	11,754
Number of ordinary shares of RM0.10 each in issue ('000)	658,000	658,000	658,000	658,000
Basic Earnings Per Share (sen)	0.65	0.51	1.08	1.79

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

	30.9.2014 RM'000	31.12.2013 RM'000
<b>Short term borrowings</b>		
Overdraft	2,275	2,765
Term loan	1,749	262
	<u>4,024</u>	<u>3,027</u>

13. Dividends

**In respect of the financial year ended 31 December 2013 as reported in the directors' report of that year**

A final single-tier dividend in respect of the financial year ended 31 December 2013 of 0.65 sen per share on 658,000,000 ordinary shares amounting to a dividend payable of RM4,277,000 has been approved to be paid on 16 June 2014 to all shareholders on the Register of Members at the close of business on 30 May 2014.

**In respect of the financial year ended 31 December 2014:**

The Board of Director has on 24 November 2014 approved the payment of an interim single-tier dividend of 0.61 sen per share on 658,000,000 ordinary shares. The interim single-tier dividend will be paid on 19 December 2014 to all shareholders on the Register Member at the close of business at 10 December 2014.'

14. Commitments

	30.9.2014 RM'000	31.12.2013 RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	1,304	-
Approved but not contracted for :		
Property, plant & equipment	640	1,372
	<u>1,944</u>	<u>1,372</u>



**SELECTED EXPLANATORY NOTES**

**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 2013.

**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 30 September 2014.

**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**

Description	2Q 2014	3Q 2014	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Profit before taxation ("PBT")	5,746	6,892	1,146	20%

For the current quarter, the Group's PBT increased by 20% compared to immediate preceding quarter mainly due increase of sales in foreign operation and laboratory testing services.

**22. Commentary on prospects**

Barring any unforeseen circumstances, the Group is expected to perform better for the year ending 31 December 2014 with the approval expected from the authorities for its waste water treatment technology.

**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 30 September 2014.

**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.

SELECTED EXPLANATORY NOTES

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 2013.

28. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 30 September 2014 and 31 December 2013 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.

	30.9.2014 RM'000	31.12.2013 RM'000
Total retained profits of the Group :		
Realised	77,899	70,810
Unrealised	2,426	(151)
	<u>80,325</u>	<u>70,659</u>
Add/(less) : Consolidation adjustments	<u>(30,082)</u>	<u>(25,265)</u>
Total Group's retained profits as per consolidated accounts	<u>50,243</u>	<u>45,394</u>

29. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not qualified.

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

Shah Alam