

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2014 RM'000	Corresponding Quarter 31.12.2013 RM'000	Current Year To Date 31.12.2014 RM'000	Corresponding Period 31.12.2013 RM'000
Revenue	21,118	26,941	83,954	96,807
Cost of sales	(6,022)	(7,007)	(21,610)	(26,177)
Gross profit	<u>15,097</u>	<u>19,934</u>	<u>62,345</u>	<u>70,630</u>
Interest income	(19)	(300)	259	393
Other income	1,186	2,078	1,260	5,379
Staff costs	(4,419)	(6,039)	(20,618)	(22,242)
Depreciation and amortisation	(1,639)	(1,051)	(6,588)	(5,353)
Other operating expenses	(5,270)	(5,284)	(15,224)	(15,421)
Profit from operation	<u>4,937</u>	<u>9,338</u>	<u>21,435</u>	<u>33,386</u>
Finance costs	(14)	136	(102)	(460)
Share of loss of an associate	-	-	-	-
Profit before tax	<u>4,923</u>	<u>9,474</u>	<u>21,333</u>	<u>32,926</u>
Income tax expense	(2,217)	(3,699)	(8,202)	(9,162)
Profit net of tax	<u>2,706</u>	<u>5,775</u>	<u>13,131</u>	<u>23,764</u>
Other comprehensive income :				
Foreign currency translation	2,604	(1,255)	736	(2,883)
Other comprehensive income, net of tax	<u>2,604</u>	<u>(1,255)</u>	<u>736</u>	<u>(2,883)</u>
Total comprehensive income for the period	<u>5,310</u>	<u>4,520</u>	<u>13,867</u>	<u>20,881</u>
Profit attributable to :				
Owners of the parent	2,147	4,092	9,236	15,846
Minority interest	559	1,683	3,895	7,918
	<u>2,706</u>	<u>5,775</u>	<u>13,131</u>	<u>23,764</u>
Total comprehensive income attributable to :				
Owners of the parent	3,804	4,092	9,791	14,084
Minority interest	1,506	428	4,076	6,797
	<u>5,310</u>	<u>4,520</u>	<u>13,867</u>	<u>20,881</u>
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	<u>0.33</u>	<u>0.62</u>	<u>1.40</u>	<u>2.41</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 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
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
(The figures have not been audited)

	Unaudited 31.12.2014 RM'000	Audited 31.12.2013 RM'000
ASSETS		
Non - Current assets		
Property, plant and equipment	39,338	58,790
Investment properties	43,640	25,890
Prepaid lease payment	275	300
Intangible assets	13,300	13,583
Deferred tax assets	2,739	2,094
	99,292	100,657
Current assets		
Inventories	2,044	768
Trade & other receivables	35,057	41,394
Investment in unit trusts	29	28
Cash and cash equivalents	27,683	16,903
	64,813	59,093
TOTAL ASSETS	164,105	159,750
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	(374)	(1,110)
Retained earnings	46,340	45,393
	111,936	110,253
Minority interest	22,537	21,344
Total equity	134,472	131,597
Non Current Liabilities		
Retirement benefits obligation	995	739
Deferred tax liabilities	2,181	2,425
	3,176	3,164
Current liabilities		
Trade and other payables	19,379	21,259
Short term borrowings	5,510	3,027
Taxation	1,567	703
	26,457	24,989
Total Liabilities	29,633	28,153
TOTAL EQUITY AND LIABILITIES	164,105	159,750
Net assets per share attributable to equity holders of the parent (RM)	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 FOURTH QUARTER ENDED 31 DECEMBER 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			
At 1 January 2013 (restated)	65,800	170	652	36,554	103,176	17,738	120,914
Total comprehensive income for the period	-	-	(1,762)	15,845	14,083	6,797	20,880
Transactions with owners :							
Acquisition of non-controlling interest				(295)	(295)	295	-
Dividends paid to non-controlling interest	-	-	-	-	-	(3,485)	(3,485)
Dividends	-	-	-	(6,711)	(6,711)	-	(6,711)
At 31 December 2013	65,800	170	(1,110)	45,393	110,253	21,345	131,598
At 1 January 2014	65,800	170	(1,110)	45,393	110,253	21,345	131,598
Total comprehensive income for the period			736	9,236	9,972	3,895	13,867
Transactions with owners :							
Dividends paid to non-controlling interest					-	(2,703)	(2,703)
Dividends				(8,291)	(8,291)	-	(8,291)
Total transactions with owners							
At 31 December 2014	65,800	170	(374)	46,339	111,935	22,537	134,472

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 FOURTH QUARTER ENDED 31 DECEMBER 2014
(Unaudited)

	Cumulative Current Year Quarter 31.12.2014 RM'000	Cumulative Preceding Year Period 31.12.2013 RM'000
Cash flows from operating activities		
Profit before taxation	21,333	32,926
Adjustments for :		
Depreciation	6,673	5,266
Share of loss of an associate	-	-
Amortisation of prepaid lease rental	25	25
Impairment of goodwill	284	-
Provision for retirement benefits obligation	134	160
Gain on disposal of associate	-	-
Gain on disposal of property, plant & equipment; net	-	(3,020)
Provision for doubtful debts	486	-
Net unrealised foreign exchange (gain)/loss	(471)	(245)
Finance cost	204	442
Profit income from deposits	(564)	(375)
Operating profit before working capital changes	<u>28,104</u>	<u>35,179</u>
Working capital changes :		
(Decrease)/increase in receivables	(1,586)	(5,991)
(Increase)/decrease in inventories and work-in-progress	1,276	1,716
(Decrease)/increase in payables	(3,069)	(2,990)
Cash generated from operations	<u>24,725</u>	<u>27,914</u>
Finance cost paid	(204)	(442)
Taxation paid	(8,723)	(8,961)
Net cash generated from operating activities	<u>15,798</u>	<u>18,511</u>
Cash flows from investing activities		
Addition to intangible assets	-	(78)
Proceeds from disposal of associate	-	-
Proceeds from disposal of property, plant & equipment	-	6,200
Purchase of property, plant & equipment	(2,519)	(10,758)
Profit received from deposits	564	375
Net cash used in investing activities	<u>(1,955)</u>	<u>(4,261)</u>
Cash flows from financing activities		
Drawdown/(repayment) of borrowings	2,483	(691)
Dividend paid	(8,291)	(6,711)
Net cash used in financing activities	<u>(5,808)</u>	<u>(7,402)</u>
Net increase/(decrease) in cash and cash equivalents	8,035	6,848
Cash and cash equivalents at 1 January 2014/2013	<u>14,138</u>	<u>7,290</u>
Cash and cash equivalents at 31 December 2014/2013	<u><u>22,172</u></u>	<u><u>14,138</u></u>
Cash and cash equivalents :		
Cash and bank balances	27,683	16,903
Overdraft	(5,510)	(2,765)
	<u><u>22,172</u></u>	<u><u>14,138</u></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.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
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 23 February 2015.

2. Basis of preparation

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

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 :

MFRSs	Effective for period on or after
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	
MFRS 15 : Revenue from Contracts with Customers	1 January 2016
MFRS 9* Financial Instruments [IFRS 9 issued by IASB in November 2009 and October 2010]	1 January 2017
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 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.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
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 2014.

6. Segment information

31 December 2014	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	41,156	36,090	3,463	3,245	-	83,954
Inter- segment revenue	-	4,214	-	14,469	(18,683)	-
Total revenue	41,156	40,304	3,463	17,714	(18,683)	83,954

Segment Results

Segment Profit / (Loss)						
from operations	9,229	18,824	(2,825)	21,385	(25,178)	21,435
Financing cost	(3,147)	-	(524)	(5,951)	9,520	(102)
Taxation	(3,241)	(3,630)	856	(2,187)		(8,202)
Profit After Taxation						13,131
Minority Interest						(3,895)
Net profit for the period						9,236

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	54,415	32,057	6,835	3,500	-	96,807
Inter- segment revenue	-	3,480	-	14,610	(18,090)	-
Total revenue	54,415	35,537	6,835	18,110	(18,090)	96,807

Segment Results

Segment results/ Profit						
from operations	15,437	21,971	191	9,382	(13,595)	33,386
Financing cost	-	-	-	(798)	338	(460)
Taxation	(3,349)	(5,559)	(112)	(142)		(9,162)
Profit After Taxation						23,764
Minority Interest						(7,918)
Net profit for the period						15,846

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
SELECTED EXPLANATORY NOTES

6. Segment information (cont'd.)

* 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 :

- (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 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.

Environmental consulting & engineering

For the fourth quarter ended 31 December 2014, Environmental consulting revenue & engineering segment contributed 49% from the total Group's revenue. Revenue decreased by 24% or RM13.2million during the period ended as compared to the preceding year corresponding period ended 31 December 2013. The decrease were attributed by the delay in securing the target orders.

Laboratory testing

Laboratory testing segment contributed 48% of the total Group's revenue. The segment shows an increase by 13% as compared to the previous year corresponding period ended 31 December 2013 mainly contributed by the increase of sales from the operation in Malaysia.

Waste management engineering

Waste management engineering segment recorded a revenue of RM3.4 million during the period ended 31 December 2014 as compared to RM 6.8 million in the preceding year corresponding period ended 31 December 2013. The decrease is contributed by the delay in securing the target projects.

Consolidated profit before tax

For the year ended 31 December 2014, the Group's profit before tax (PBT) was RM21.3 million which is 35% lower as compared to the preceding year corresponding period ended 31 December 2013 of RM32.9 million. The reduction of revenues earned by the environmental consulting & engineering and waste management engineering segments for the year has an overall impact on the reduction of the group PBT for the year.

7. Seasonality or cyclicity

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

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
SELECTED EXPLANATORY NOTES

8. (Loss)/profit before taxation

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before taxation is arrived at after charging/(crediting):				
Gain on disposal of PPE	-	-	-	3,011
Foreign exchange (gain)/loss	(377)	(388)	(564)	(375)

9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	2,043	4,313	7,008	8,035
- Foreign Tax	174	(614)	1,194	1,127
Tax expense	2,217	3,699	8,202	9,162

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.

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 12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit for the period (RM'000)	2,147	4,092	9,236	15,846
Number of ordinary shares of RM0.10 each in issue ('000)	658,000	658,000	658,000	658,000
Basic Earnings Per Share (sen)	0.33	0.62	1.40	2.41

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.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
SELECTED EXPLANATORY NOTES

12. Borrowings

	31.12.2014	31.12.2013
	RM'000	RM'000
Short term borrowings		
Overdraft	3,648	2,765
Term loan	1,862	262
	<u>5,510</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 has been paid on 19 December 2014 to all shareholders on the Register Member at the close of business at 10 December 2014.

14. Commitments

	31.12.2014	31.12.2013
	RM'000	RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	-	969
Approved but not contracted for :		
Property, plant & equipment	-	1,063
	<u>-</u>	<u>2,032</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 2014.

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 2014.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
SELECTED EXPLANATORY NOTES

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 2015.

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 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.

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 2014.

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

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
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 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.

	31.12.2014	31.12.2013
	RM'000	RM'000
Total retained profits of the Group :		
Realised	76,750	70,953
Unrealised	2,236	2,425
	<u>78,986</u>	<u>73,378</u>
Add/(less) : Consolidation adjustments	(32,646)	(27,985)
Total Group's retained profits as per consolidated accounts	<u>46,340</u>	<u>45,393</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