

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2015  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2015 RM'000	Corresponding Quarter 31.3.2014 RM'000	Current Year To Date 31.3.2015 RM'000	Corresponding Period 31.3.2014 RM'000
Revenue	19,922	19,811	19,922	19,811
Cost of sales	(2,802)	(5,522)	(2,802)	(5,522)
Gross profit	17,120	14,289	17,120	14,289
Interest income	94	60	94	60
Other income	214	31	214	31
Staff costs	(5,977)	(5,069)	(5,977)	(5,069)
Depreciation and amortisation	(1,812)	(1,706)	(1,812)	(1,706)
Other operating expenses	(3,801)	(3,731)	(3,801)	(3,731)
Profit from operation	5,838	3,874	5,838	3,874
Finance costs	(75)	(82)	(75)	(82)
Profit before tax	5,763	3,792	5,763	3,792
Income tax expense	(1,851)	(1,545)	(1,851)	(1,545)
<b>Profit net of tax</b>	<b>3,912</b>	<b>2,247</b>	<b>3,912</b>	<b>2,247</b>
<b>Other comprehensive income :</b>				
Foreign currency translation	331	225	331	225
<b>Other comprehensive income, net of tax</b>	<b>331</b>	<b>225</b>	<b>331</b>	<b>225</b>
<b>Total comprehensive income for the period</b>	<b>4,243</b>	<b>2,472</b>	<b>4,243</b>	<b>2,472</b>
<b>Profit attributable to :</b>				
Owners of the parent	2,495	1,378	2,495	1,378
Minority interest	1,417	869	1,417	869
	<b>3,912</b>	<b>2,247</b>	<b>3,912</b>	<b>2,247</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the parent	2,645	1,511	2,645	1,511
Minority interest	1,598	961	1,598	961
	<b>4,243</b>	<b>2,472</b>	<b>4,243</b>	<b>2,472</b>
<b>Earnings per share attributable to equity holders of the parent</b>				
<b>Basic earnings per share (sen) *</b>	<b>0.38</b>	<b>0.21</b>	<b>0.38</b>	<b>0.21</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 2014 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 FIRST QUARTER ENDED 31 MARCH 2015**  
**(The figures have not been audited)**

	<b>Unaudited 31.3.2015 RM'000</b>	<b>Audited 31.12.2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	44,900	44,423
Investment properties	39,787	39,959
Prepaid lease payment	269	275
Intangible assets	13,300	13,300
Deferred tax assets	2,739	2,739
	100,995	100,696
<b>Current assets</b>		
Inventories	914	668
Trade and other receivables	55,709	39,747
Investment in unit trusts	29	29
Cash and cash equivalents	40,302	26,820
	96,954	67,264
<b>TOTAL ASSETS</b>	197,949	167,960
<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	(112)	(451)
Retained earnings	48,042	45,547
	113,900	111,066
<b>Minority interest</b>	25,682	24,084
<b>Total equity</b>	139,582	135,150
<b>Non Current Liabilities</b>		
Retirement benefits obligation	1,035	996
Deferred tax liabilities	2,345	2,347
	3,380	3,343
<b>Current liabilities</b>		
Trade and other payables	48,729	22,390
Short term borrowings	3,955	5,510
Taxation	2,303	1,567
	54,987	29,467
<b>Total Liabilities</b>	58,367	32,810
<b>TOTAL EQUITY AND LIABILITIES</b>	197,949	167,960
<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 2014 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 2015**  
**(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 2014</b>	65,800	170	(1,100)	45,394	110,254	21,344	131,598
Total comprehensive income for the period	-	-	225	1,511	1,736	961	2,697
<b>At 31 March 2014</b>	<b>65,800</b>	<b>170</b>	<b>(875)</b>	<b>46,905</b>	<b>111,990</b>	<b>22,305</b>	<b>134,295</b>
<b>At 1 January 2015</b>	65,800	170	(451)	45,547	111,066	24,084	135,150
Total Comprehensive account for the period	-	-	339	2,495	2,834	1,598	4,432
<b>At 31 March 2015</b>	<b>65,800</b>	<b>170</b>	<b>(112)</b>	<b>48,042</b>	<b>113,900</b>	<b>25,682</b>	<b>139,582</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 2014.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
**(Unaudited)**

	<b>Cumulative Current Year Quarter 31.03.2015 RM'000</b>	<b>Cumulative Preceding Year Period 31.12.2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	5,763	3,792
<b>Adjustments for :</b>		
Depreciation	1,806	1,706
Amortisation of prepaid lease rental	6	-
Provision for retirement benefits obligation	40	25
Net unrealised foreign exchanges (gain)/loss	(50)	-
Finance cost	100	82
Profit income from deposits	(120)	(60)
<b>Operating profit before working capital changes</b>	<u>7,545</u>	<u>5,545</u>
Working capital changes :		
Increase in receivable	(17,243)	5,571
(Increase)/decrease in inventories and work-in-progress	(247)	(170)
(Decrease)/increase in payables	<u>28,592</u>	<u>2,017</u>
<b>Cash generated from operations</b>	18,647	12,963
Finance cost paid	(100)	(82)
Taxation paid	(1,539)	(1,299)
<b>Net cash generated from operating activities</b>	<u>17,008</u>	<u>11,582</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant & equipment	-	-
Purchase of property, plant & equipment	(1,326)	(2,886)
Profit received from deposits	120	60
<b>Net cash used in investing activities</b>	<u>(1,206)</u>	<u>(2,826)</u>
<b>Cash flows from financing activities</b>		
Drawdown/(repayment) of borrowings	-	580
Dividend paid	(645)	-
<b>Net cash used in financing activities</b>	<u>(645)</u>	<u>580</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	15,157	9,336
<b>Cash and cash equivalents at 1 January 2015/2014</b>	<u>23,172</u>	<u>13,877</u>
<b>Cash and cash equivalents at 31 March 2015/31 December 2014</b>	<u><u>38,329</u></u>	<u><u>23,213</u></u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	40,302	26,820
Overdraft	(1,973)	(3,607)
	<u>38,329</u>	<u>23,213</u>
	0	

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
**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 27 April 2015.

**2. Basis of preparation**

The consolidated condensed interim financial information for the 3 months ended 31 March 2015 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 2014, 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 2014.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 January 2015 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 :

	<b>Effective for annual period beginning on or after</b>
a) MFRS 9 : Financial Instruments	1 January 2015

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 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**

There was no changes in the composition of the Group for the current quarter 31 March 2015.

**6. Segment information**

	<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 31.03.2015</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	8,973	9,392	709	848	-	19,922
Inter- segment revenue	-	1,387	-	135	(1,522)	-
<b>Total revenue</b>	<b>8,973</b>	<b>10,779</b>	<b>709</b>	<b>983</b>	<b>(1,522)</b>	<b>19,922</b>

<b>Segment Results</b>						
Segment Profit / (Loss) from operations	2,068	5,311	31	(1,546)	(26)	5,838
Financing cost						(75)
Taxation						(1,851)
Profit After Taxation						3,912
Minority Interest						(1,417)
<b>Net profit for the period</b>						<b>2,495</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 31.03.2014</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	9,845	8,288	753	925	-	19,811
Inter- segment revenue	69	1,068	-	242	(1,379)	-
<b>Total revenue</b>	<b>9,914</b>	<b>9,356</b>	<b>753</b>	<b>1,167</b>	<b>(1,379)</b>	<b>19,811</b>

<b>Segment Results</b>						
Segment results/ Profit from operations	1,105	4,229	(996)	(452)	(12)	3,874
Financing cost	-	-	-	(94)	12	(82)
Taxation						(1,545)
Profit After Taxation						2,247
Minority Interest						(869)
<b>Net profit for the period</b>						<b>1,378</b>

\* 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.

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
**SELECTED EXPLANATORY NOTES**

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

**Environmental consulting & engineering**

For the first quarter ended 31 March 2015, Environmental consulting revenue & engineering segment contributed 45% from the total Group's revenue. Revenue decreased by 9% or RM0.9million during the period ended as compared to the preceding year corresponding period ended 31 March 2014. The decrease were attributed by the delay in securing the target orders from Saudi operations. However, the segment's profitability has improved due to lower operational costs.

**Laboratory testing**

Laboratory testing segment contributed 54% of the total Group's revenue. The segment shows an increase by 15% as compared to the previous year corresponding period ended 31 March 2015 mainly contributed by higher sales from lab operations in Malaysia and Indonesia.

**Waste management engineering**

Waste management engineering segment maintain its revenue during the period ended 31 March 2015 compared to the preceding year corresponding period ended 31 March 2014. The segments's profitability improved due to improved project's margin.

**Consolidated profit before tax**

For the year ended 31 March 2015, the Group's profit before tax (PBT) was RM6.3 million which is 68% higher as compared to the preceding year corresponding period ended 31 March 2014 of RM3.8 million. The overall increase resulted from increase in Profit before tax for all segments reported.

**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		3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Foreign exchange (gain)/loss	(50)	(225)	(50)	(225)

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
**SELECTED EXPLANATORY NOTES**

**9. Income tax expense**

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	1,695	1,200	1,695	1,200
- Foreign Tax	156	345	156	345
Tax expense	<u>1,851</u>	<u>1,545</u>	<u>1,851</u>	<u>1,545</u>

The effective tax rate for the current quarter under review is lower compared to the current statutory income tax rate of 25% due to deferred tax asset recognised.

**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		3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Profit for the period (RM'000)	<u>2,495</u>	<u>1,378</u>	<u>2,495</u>	<u>1,378</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>0.38</u>	<u>0.21</u>	<u>0.38</u>	<u>0.21</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**

	31.03.2015	31.12.2014
	RM'000	RM'000
<b>Short term borrowings</b>		
Overdraft	1,973	3,647
Term loan	<u>1,982</u>	<u>1,863</u>
	<u>3,955</u>	<u>5,510</u>

**13. Dividends**

No final dividend declared or shall be paid for financial year 2014 .



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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
**SELECTED EXPLANATORY NOTES**

**14. Commitments**

	<b>31.03.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	743	230
Approved but not contracted for :		
Property, plant & equipment	1,391	1,098
	<u>2,134</u>	<u>1,328</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 March 2015.

**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 March 2015

**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.

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

**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
**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 March 2015.

**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 March 2015.

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

The breakdown of the retained profits of the Group as at 31 March 2015 and 31 December 2014 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>31.03.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group :		
Realised	81,549	78,244
Unrealised	393	393
	<u>81,942</u>	<u>78,637</u>
Add/(less) : Consolidation adjustments	<u>(33,900)</u>	<u>(31,732)</u>
Total Group's retained profits as per consolidated accounts	<u>48,042</u>	<u>46,905</u>

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

The auditors' report on the financial statements for the financial year ended 31 December 2014 was not qualified.

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

Shah Alam