

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015  
(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2015 RM'000	Corresponding Quarter 30.9.2014 RM'000	Current Year To Date 30.9.2015 RM'000	Corresponding Period 30.9.2014 RM'000
Revenue	18,341	21,535	58,981	62,836
Cost of sales	(3,707)	(4,880)	(10,727)	(15,588)
Gross profit	14,634	16,655	48,254	47,248
Interest income	14	49	197	278
Other income	4,425	12	4,896	74
Staff costs	(7,559)	(5,675)	(20,126)	(16,199)
Depreciation and amortisation	(1,791)	(1,563)	(5,038)	(4,949)
Other operating expenses	(5,466)	(2,586)	(11,377)	(9,954)
Profit from operation	4,257	6,892	16,806	16,498
Finance costs	(17)	(20)	(123)	(88)
Profit before tax	4,239	6,872	16,683	16,410
Income tax expense	(3,226)	(1,404)	(7,370)	(5,985)
<b>Profit net of tax</b>	<b>1,013</b>	<b>5,468</b>	<b>9,313</b>	<b>10,425</b>
<b>Other comprehensive income :</b>				
Foreign currency translation	545	(3,874)	(1,692)	(1,868)
<b>Other comprehensive income/ (loss), net of tax</b>	<b>545</b>	<b>(3,874)</b>	<b>(1,692)</b>	<b>(1,868)</b>
<b>Total comprehensive income for the period</b>	<b>1,558</b>	<b>1,594</b>	<b>7,621</b>	<b>8,557</b>
<b>Profit attributable to:</b>				
Owners of the parent	1,036	4,302	7,399	7,089
Non-controlling interest	(23)	1,166	1,914	3,336
	<b>1,013</b>	<b>5,468</b>	<b>9,313</b>	<b>10,425</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the parent	757	2,016	6,675	5,987
Non-controlling interest	801	(422)	946	2,570
	<b>1,558</b>	<b>1,594</b>	<b>7,621</b>	<b>8,557</b>
<b>Earnings per share attributable to equity holders of the parent</b>				
<b>Basic earnings per share (sen) *</b>	<b>0.16</b>	<b>0.65</b>	<b>1.12</b>	<b>1.08</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 THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
**(Unaudited)**

	<b>Unaudited 30.9.2015 RM'000</b>	<b>Audited 31.12.2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	45,294	44,423
Investment properties	39,446	39,959
Prepaid lease payment	256	275
Intangible assets	13,300	13,300
Deferred tax assets	1,565	2,739
	<u>99,861</u>	<u>100,696</u>
<b>Current assets</b>		
Inventories	1,019	668
Trade and other receivables	37,962	41,138
Investment in unit trusts	6,676	2,811
Cash and cash equivalents	29,086	22,101
	<u>74,743</u>	<u>66,718</u>
<b>TOTAL ASSETS</b>	<u>174,604</u>	<u>167,414</u>
<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	(1,175)	(451)
Retained earnings	50,447	45,547
	<u>115,242</u>	<u>111,066</u>
<b>Non-controlling interest</b>	25,030	24,084
<b>Total equity</b>	<u>140,272</u>	<u>135,150</u>
<b>Non Current Liabilities</b>		
Retirement benefits obligation	1,132	996
Deferred tax liabilities	2,383	2,347
	<u>3,515</u>	<u>3,343</u>
<b>Current liabilities</b>		
Trade and other payables	23,683	22,390
Short term borrowings	6,142	5,510
Taxation	992	1,021
	<u>30,817</u>	<u>28,921</u>
<b>Total Liabilities</b>	34,332	32,264
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>174,604</u>	<u>167,414</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.18	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 THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
**(Unaudited)**

	← 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	(1,110)	45,394	110,254	21,344	131,598
Total comprehensive income for the period			(1,868)	7,089	5,221	3,336	8,557
<b>Transfer</b>				2,037	2,037	(766)	1,271
<b>Transactions with owner</b>							
Dividends				(4,277)	(4,277)		(4,277)
<b>At 30 September 2014</b>	<b>65,800</b>	<b>170</b>	<b>(2,978)</b>	<b>48,206</b>	<b>111,198</b>	<b>24,680</b>	<b>140,155</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	-		(724)	7,399	6,675	946	7,621
Dividends				(2,499)	(2,499)		(2,499)
<b>At 30 September 2015</b>	<b>65,800</b>	<b>170</b>	<b>(1,175)</b>	<b>50,447</b>	<b>115,242</b>	<b>25,030</b>	<b>140,272</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 THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
**(Unaudited)**

	<b>Cumulative Current Year Quarter 30.09.2015 RM'000</b>	<b>Cumulative Preceding Year Period 30.09.2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	16,683	16,410
<b>Adjustments for :</b>		
Depreciation	5,019	4,930
Amortisation of prepaid lease rental	19	19
Provision for retirement benefits obligation	136	100
Net unrealised foreign exchanges (gain)/loss	(4,696)	830
Finance cost	123	88
Dividend income from unit trust	(156)	(51)
Profit income from deposits	(41)	(227)
<b>Operating profit before working capital changes</b>	<u>17,087</u>	<u>22,099</u>
Working capital changes :		
Decrease/(Increase) in receivable	1,414	(6,827)
Increase in inventories and work-in-progress	(351)	(1,216)
Decrease in payables	(2,890)	(405)
<b>Cash generated from operations</b>	<u>15,260</u>	<u>13,651</u>
Finance cost paid	(123)	(88)
Taxation paid	(4,866)	(4,799)
<b>Net cash generated from operating activities</b>	<u>10,271</u>	<u>8,764</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant & equipment	5	-
Placement in unit trust	(3,865)	(5,032)
Dividend income from unit trusts	156	51
Purchase of property, plant & equipment	(3,622)	(6,123)
Profit received from deposits	41	227
<b>Net cash used in investing activities</b>	<u>(7,285)</u>	<u>(10,877)</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	670	1,487
Dividend paid	(6,120)	(4,277)
<b>Net cash used in financing activities</b>	<u>(5,451)</u>	<u>(2,790)</u>
<b>Net decrease in cash and cash equivalents</b>	(2,465)	(4,903)
<b>Cash and cash equivalents at 1 January 2015/2014</b>	<u>18,919</u>	<u>10,334</u>
<b>Cash and cash equivalents at 30 September 2015/2014</b>	<u>16,454</u>	<u>5,431</u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	29,086	12,825
Fixed deposit pledged as securities	(9,530)	(5,119)
Overdraft	(3,102)	(2,275)
	<u>16,454</u>	<u>5,431</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 2014 and the accompanying explanatory notes attached to the financial statements.

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
**(Unaudited)**

**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 November 2015.

**2. Basis of preparation**

The consolidated condensed interim financial information for the 9 months ended 30 September 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.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

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)
Interpretation 2	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

**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 30 September 2015.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
(Unaudited)

**6. Segment information**

	<u>Environmental Consulting &amp; Engineering Services</u>	<u>Laboratory Testing Services</u>	<u>Waste Management Engineering</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter ended 30.09.2015</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	23,421	28,015	1,629	5,916		58,981
Inter- segment revenue	3,391	3,800		750	(7,941)	-
<b>Total revenue</b>	<b>26,812</b>	<b>31,815</b>	<b>1,629</b>	<b>6,666</b>	<b>(7,941)</b>	<b>58,981</b>

<b>Segment Results</b>						
Segment Profit / (Loss) from operations	1,113	16,974	(609)	3,613	(4,285)	16,806
Financing cost						(123)
Taxation						(7,370)
Profit After Taxation						9,313
Minority Interest						(1,914)
<b>Net profit for the period</b>						<b>7,399</b>

	<u>Environmental Consulting &amp; Engineering Services</u>	<u>Laboratory Testing Services</u>	<u>Waste Management Engineering</u>	<u>Others*</u>	<u>Elimination</u>	<u>Cumulative Quarter ended 30.09.2014</u>
	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)	-
<b>Total revenue</b>	<b>29,404</b>	<b>30,839</b>	<b>3,141</b>	<b>3,459</b>	<b>(4,007)</b>	<b>62,836</b>

<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						(5,985)
Profit After Taxation						10,425
Minority Interest						(3,336)
<b>Net profit for the period</b>						<b>7,089</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 THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
(Unaudited)

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

**Environmental consulting & engineering**

For the third quarter ended 30 September 2015, Environmental consulting revenue & engineering segment contributed 40% from the total Group's revenue. Revenue decreased by 20% or RM5.8 million during the period ended as compared to the preceding year corresponding period ended 30 September 2014 due to delayed order received from target projects. On the other hand, profit before tax has decreased by 83% or RM5.5 million. The decrease were attributed mainly by the losses incurred by the Saudi operation.

**Laboratory testing**

Laboratory testing segment contributed 47% of the total Group's revenue. The segment shows an increase by 3% in revenue and 16% in profit as compared to the previous year corresponding period ended 30 September 2015 mainly contributed by higher sales from lab operations in Indonesia as well as cost reduction initiative implemented by the company.

**Waste management engineering**

Waste management engineering segment has lower revenue by 48% compared to the preceding year corresponding period ended 30 September 2014 due to delayed order received from target projects. However, the segment has reduced its losses by 44% compared to same period in corresponding period due to improved project's margin.

**Consolidated profit for the period**

For the year ended 30 September 2015, the Group's Net profit was RM7.4 million which is 4% higher as compared to the preceding year corresponding period ended 30 September 2014 of RM7.1 million. The overall increase resulted from increase in Profit for laboratory testing. The losses incurred from the Saudi operation has been cushioned through the unrealised foreign exchange gain earned by the Group through its US Dollar deposits in Indonesia as well as its receivables that were denominated in US Dollar and Saudi riyal.

**7. Seasonality or cyclicity**

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

**8. Profit before taxation**

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Profit before taxation is arrived at after charging/(crediting):				
Foreign exchange gain	(3,646)	180	(4,696)	187

**9. Income tax expense**

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	2,249	1,006	5,971	4,213
- Foreign Tax	-	390	189	1,019
- Deferred tax	977	8	1,210	753
Tax expense	3,226	1,404	7,370	5,985

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

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
(Unaudited)

**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	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
Profit for the period (RM'000)	1,036	4,302	7,399	7,089
Number of ordinary shares of RM0.10 each in issue ('000)	658,000	658,000	658,000	658,000
Basic Earnings Per Share (sen)	0.16	0.65	1.12	1.08

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**

	30.09.2015 RM'000	31.12.2014 RM'000
<b>Short term borrowings</b>		
Overdraft	3,102	3,528
Term loan	3,040	1,982
	<u>6,142</u>	<u>5,510</u>

**13. Dividends**

**In respect of the financial year ending 31 December 2015:**

The Board of Directors has on 24 August 2015 approved the payment of an interim single-tier dividend of 0.38 sen per share on 658,000,000 ordinary shares. The interim single-tier dividend has been paid on 29 September 2015 to all shareholders on the Record of Depositors at the close of business on 10 September 2015.

**14. Commitments**

	30.09.2015 RM'000	31.12.2014 RM'000
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	1,227	230
Approved but not contracted for :		
Property, plant & equipment	1,849	1,098
	<u>3,076</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 30 September 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 30 September 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**

As announced by the company on 5 November 2015 informing that its subsidiary Alam Sekitar Malaysia Sdn Bhd ("ASMA") was not successful in the Request For Proposal ("RFP") tender process for the development and implementation of Environmental Quality Monitoring Programme for the Department of Environment ("DOE") through public private partnership. ASMA will cease to generate revenue arising from the Interim Agreement as defined therein after 13 April 2016 unless the Government grants a further extension to the existing Interim Agreement. In the event, the Interim Agreement is not extended, the Group's financial results for financial year ending 31st December 2015 may be affected by the impairment of goodwill. The group is pursuing for the extension of the interim agreement and is aggressively pursuing the non-concession business to strengthen ASMA.

**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 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 30 September 2015.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
**(Unaudited)**

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

The breakdown of the retained profits of the Group as at 30 September 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>30.09.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group :		
Realised	84,241	76,886
Unrealised	820	393
	<u>85,061</u>	<u>77,279</u>
Add/(less) : Consolidation adjustments	<u>(34,614)</u>	<u>(31,732)</u>
Total Group's retained profits as per consolidated accounts	<u>50,447</u>	<u>45,547</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