

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2016 RM'000	Corresponding Quarter 31.3.2015 RM'000	Current Year To Date 31.3.2016 RM'000	Corresponding Period 31.3.2015 RM'000
Revenue	20,051	19,922	20,051	19,922
Cost of sales	(5,004)	(2,802)	(5,004)	(2,802)
Gross profit	<u>15,047</u>	<u>17,120</u>	<u>15,047</u>	<u>17,120</u>
Interest income	121	94	121	94
Other income	150	214	150	214
Staff costs	(6,414)	(5,977)	(6,414)	(5,977)
Depreciation and amortisation	(1,688)	(1,812)	(1,688)	(1,812)
Other operating expenses	(6,958)	(3,801)	(6,958)	(3,801)
Profit from operation	<u>258</u>	<u>5,838</u>	<u>258</u>	<u>5,838</u>
Finance costs	(209)	(75)	(209)	(75)
Profit before tax	<u>49</u>	<u>5,763</u>	<u>49</u>	<u>5,763</u>
Income tax expense	(1,521)	(1,851)	(1,521)	(1,851)
(Loss)/profit net of tax	<u>(1,472)</u>	<u>3,912</u>	<u>(1,472)</u>	<u>3,912</u>
Other comprehensive income :				
Foreign currency translation	443	520	443	520
Other comprehensive income, net of tax	<u>443</u>	<u>520</u>	<u>443</u>	<u>520</u>
Total comprehensive (loss)/income for the period	<u>(1,030)</u>	<u>4,432</u>	<u>(1,030)</u>	<u>4,432</u>
(Loss)/profit attributable to :				
Owners of the parent	(2,796)	2,495	(2,796)	2,495
Minority interest	1,323	1,417	1,323	1,417
	<u>(1,472)</u>	<u>3,912</u>	<u>(1,472)</u>	<u>3,912</u>
Total comprehensive income attributable to :				
Owners of the parent	(1,978)	2,834	(1,978)	2,834
Minority Interest	948	1,598	948	1,598
	<u>(1,030)</u>	<u>4,432</u>	<u>(1,030)</u>	<u>4,432</u>
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	<u>(0.42)</u>	<u>0.38</u>	<u>(0.42)</u>	<u>0.38</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 2015 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 2016
(The figures have not been audited)

	Unaudited 31.3.2016 RM'000	Audited 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,131	42,480
Investment properties	39,116	39,274
Prepaid lease payment	1,114	1,120
Intangible assets	11,759	11,759
Deferred tax assets	1,181	1,130
	<u>96,300</u>	<u>95,763</u>
Current assets		
Inventories	847	1,003
Trade and other receivables	31,447	40,800
Other current financial assets	9,879	7,294
Cash and cash equivalents	35,947	33,652
	<u>78,119</u>	<u>82,749</u>
TOTAL ASSETS	<u>174,420</u>	<u>178,512</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share premium	170	170
Treasury shares	(59)	(27)
Other reserves	(145)	(963)
Retained earnings	28,265	31,061
	<u>94,031</u>	<u>96,041</u>
Non-controlling interest	28,396	27,448
Total equity	<u>122,427</u>	<u>123,489</u>
Non-current Liabilities		
Retirement benefits obligation	1,431	1,428
Deferred tax liabilities	4,428	4,350
	<u>5,859</u>	<u>5,778</u>
Current liabilities		
Trade and other payables	26,954	31,294
Short term borrowings	17,970	17,079
Taxation	1,210	873
	<u>46,134</u>	<u>49,245</u>
Total Liabilities	<u>51,993</u>	<u>55,023</u>
TOTAL EQUITY AND LIABILITIES	<u>174,420</u>	<u>178,512</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.14</u>	<u>0.15</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016
(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	Treasury Shares RM'000	Other Reserves RM'000	Distributable Retained Profits RM'000			
At 1 January 2015	65,800	170	-	(451)	45,547	111,066	24,084	135,150
Total comprehensive income for the period	-	-	-	339	2,495	2,834	1,598	4,432
At 31 March 2015	65,800	170	-	(112)	48,042	113,900	25,682	139,582
At 1 January 2016	65,800	170	(27)	(963)	31,061	96,041	27,448	123,489
Total Comprehensive account for the period	-	-	-	818	(2,796)	(1,978)	948	(1,030)
Transactions with Owners								
Purchase of Treasury Shares			(32)			(32)		(32)
At 31 March 2016	65,800	170	(59)	(145)	28,265	94,031	28,396	122,427

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 2015.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2016
(Unaudited)

	Cumulative Current Year Quarter 31.03.2016 RM'000	Cumulative Preceding Year Period 31.03.2015 RM'000
Cash flows from operating activities		
Profit before taxation	49	5,763
Adjustments for :		
Depreciation	2,003	1,806
Amortisation of prepaid lease rental	6	6
Provision for retirement benefits obligation	3	40
Gain on disposal of property, plant and equipment; net	(11)	-
Net unrealised foreign exchanges losses/(gains)	2,768	(50)
Finance cost	209	100
Profit income from deposits	(50)	(96)
Dividend from unit trust	(96)	(21)
Operating profit before working capital changes	<u>4,881</u>	<u>7,548</u>
Working capital changes :		
Decrease/(increase) in receivable	6,585	(4,350)
Decrease/(increase) in inventories and work-in-progress	156	(247)
(Decrease)/increase in payables	<u>(4,093)</u>	<u>28,592</u>
Cash generated from operations	<u>7,529</u>	<u>31,543</u>
Finance cost paid	(209)	(100)
Taxation paid	<u>(1,366)</u>	<u>(1,539)</u>
Net cash generated from operating activities	<u>5,954</u>	<u>29,904</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	11	-
Placement of unit trust	(2,585)	(11,352)
Purchase of property, plant and equipment	(2,327)	(1,326)
Purchase of investment properties	(14)	-
Profit received from deposits	50	96
Dividend in unit trust	96	21
Movement in restricted deposits	-	(601)
Net cash used in investing activities	<u>(4,768)</u>	<u>(13,162)</u>
Cash flows from financing activities		
Purchase of treasury shares	(32)	-
Dividend paid	-	(645)
Net cash used in financing activities	<u>(32)</u>	<u>(645)</u>
Net increase in cash and cash equivalents	<u>1,153</u>	<u>16,097</u>
Cash and cash equivalents at 1 January 2016/2015	<u>12,193</u>	<u>18,440</u>
Cash and cash equivalents at 31 March 2016/2015	<u>13,346</u>	<u>34,537</u>
Cash and cash equivalents :		
Cash and bank balances	35,947	40,302
Overdraft	<u>(15,288)</u>	<u>(1,973)</u>
	20,659	38,329
Less: Restricted deposits	<u>(7,313)</u>	<u>(3,792)</u>
	<u>13,346</u>	<u>34,537</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 2015 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 2016
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 May 2016.

2. Basis of preparation

The consolidated condensed interim financial information for the 3 months ended 31 March 2016 is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 "interim financial reporting" issued by the Malaysian Accounting Standards Board (MASB) 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 2015, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group

MFRSs and amendments to MFRSs	Effective for annual period beginning on or after
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosure	1 January 2018

The Interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 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 31 March 2016.

FOR THE FIRST QUARTER ENDED 31 MARCH 2016
SELECTED EXPLANATORY NOTES

6. Segment information

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.03.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	8,712	10,100	249	989		20,051
Inter- segment revenue	130	846			(976)	-
Total revenue	8,842	10,946	249	989	(976)	20,051
Segment Results						
Segment profit/(loss) from operations	140	3,446	(419)	(2,498)	(411)	258
Financing cost						(209)
Taxation						(1,521)
Loss after taxation						(1,472)
Non-controlling interest						(1,323)
Loss for the period						(2,796)

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.03.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	8,973	9,392	709	848	-	19,922
Inter- segment revenue	-	1,387	-	135	(1,522)	-
Total revenue	8,973	10,779	709	983	(1,522)	19,922
Segment Results						
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)
Profit for the period						2,495

* 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 FIRST QUARTER ENDED 31 MARCH 2016
SELECTED EXPLANATORY NOTES

6. Segment information (cont'd)

Environmental consulting & engineering

For the first quarter ended 31 March 2016, Environmental consulting revenue and engineering segment contributed 44% from the total Group's revenue. Revenue decreased by 3% during the period ended as compared to the preceding year corresponding period ended 31 March 2015. The profit has dropped by 93%, RM1.9 million due to loss from Saudi operations and unrealised foreign currency exchange losses of RM0.35 million.

Laboratory testing

Laboratory testing segment contributed 55% of the total Group's revenue. The segment shows an increase by 2% as compared to the preceding year corresponding period ended 31 March 2015 mainly due to higher sales from lab operations in Indonesia. However, the segment shows a decrease in profit by 35% mainly due to unrealised and realised foreign currency exchange losses of RM 1 million affecting both Malaysia and Indonesia operations.

Waste management engineering

Waste management engineering segment has lower revenue and profit by 65% and 45% respectively due to delay in project revenue conversion and temporary increase in the project staff costs.

Consolidated profit before tax

For the period ended 31 March 2016, the Group's profit before tax was lower than preceding year due to loss incurred by Saudi operations and realised and unrealised foreign currency exchange losses incurred by the subsidiaries.

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 3 months ended	
	31.3.2016 RM'000	31.3.2015 RM'000	31.3.2016 RM'000	31.3.2015 RM'000
Profit before taxation is arrived at after charging/(crediting):				
Provision for doubtful debts	-	-	-	-
Gain on disposal of property, plant and equipment	(11)	-	(11)	-
Foreign currency exchange losses/(gains)	3,376	(50)	3,376	(50)

9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2016 RM'000	31.3.2015 RM'000	31.3.2016 RM'000	31.3.2015 RM'000
Current tax :				
- Malaysia Income Tax	1,366	1,695	1,366	1,695
- Foreign Tax	156	156	156	156
Tax expense	1,521	1,851	1,521	1,851

The effective tax rate for the current quarter under review is higher compared to the current statutory income tax rate of 24% due to recognition of deferred tax liabilities for dividend repatriated from foreign subsidiary.

FOR THE FIRST QUARTER ENDED 31 MARCH 2016
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 3 months ended	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
(Loss)/profit for the period (RM'000)	(2,796)	2,495	(2,796)	2,495
Number of ordinary shares of RM0.10 each in issue ('000)	657,673	658,000	657,673	658,000
Basic Earnings Per Share (sen)	(0.43)	0.38	(0.43)	0.38

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

	31.03.2016 RM'000	31.12.2015 RM'000
Short term borrowings		
Overdraft	15,288	14,146
Term loan	2,682	2,933
	<u>17,970</u>	<u>17,079</u>

13. Dividends

No dividend declared or shall be paid in current quarter.

14. Commitments

	31.03.2016 RM'000	31.12.2015 RM'000
Capital expenditure		
Approved and contracted for :		
Property, plant & equipment	3	743
Approved but not contracted for :		
Property, plant & equipment	646	1,391
	<u>648</u>	<u>2,134</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 2015.

FOR THE FIRST QUARTER ENDED 31 MARCH 2016
SELECTED EXPLANATORY NOTES

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 2016

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

The Group continues looking at opportunities in expanding the market of its main products and services. The environmental regulations remain as the main driver of the business opportunities as well as the value proposition offered by our product and services.

The outlook for year 2016 is expected to be encouraging and challenging.

23. Financial forecast or financial guarantee

There were no financial forecast or financial 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 March 2016.

FOR THE FIRST QUARTER ENDED 31 MARCH 2016
SELECTED EXPLANATORY NOTES

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 2015

28. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 March 2016 and 31 December 2015 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.

	31.03.2016 RM'000	31.12.2015 RM'000
Total retained profits of the Group :		
Realised	47,958	50,968
Unrealised	(1,382)	5,106
	<u>46,577</u>	<u>56,074</u>
Add/(less) : Consolidation adjustments	(18,311)	(25,013)
Total Group's retained profits as per consolidated accounts	<u>28,265</u>	<u>31,061</u>

29. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 was not qualified.

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

Shah Alam