

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**  
(The figures have not been audited)

|  | Individual Quarter                     |  | Cumulative Quarter                          |   |
|--|--|--|---|---|
|  | Current Quarter<br>30.6.2015<br>RM'000 | Corresponding Quarter<br>30.6.2014<br>RM'000 | Current Year To Date<br>30.6.2015<br>RM'000 | Corresponding Period<br>30.6.2014<br>RM'000 |
| Revenue  | 20,718                                 | 21,490                                       | 40,640                                      | 41,301                                      |
| Cost of sales  | (4,218)                                | (5,186)                                      | (7,020)                                     | (10,708)                                    |
| Gross profit   | <u>16,500</u>                          | <u>16,304</u>                                | <u>33,620</u>                               | <u>30,593</u>                               |
| Interest income  | 89                                     | 169  | 183   | 229   |
| Other income   | 257                                    | 31   | 471   | 62  |
| Staff costs  | (6,590)                                | (5,455)                                      | (12,567)                                    | (10,524)                                    |
| Depreciation and amortisation  | (1,435)                                | (1,680)                                      | (3,247)                                     | (3,386)                                     |
| Other operating expenses   | (2,110)                                | (3,637)                                      | (5,911)                                     | (7,368)                                     |
| Profit from operation  | <u>6,711</u>                           | <u>5,732</u>                                 | <u>12,549</u>                               | <u>9,606</u>                                |
| Finance costs  | (31)                                   | 14   | (106)                                       | (68)  |
| Profit before tax  | <u>6,681</u>                           | <u>5,746</u>                                 | <u>12,444</u>                               | <u>9,538</u>                                |
| Income tax expense   | (2,293)                                | (2,291)                                      | (4,144)                                     | (4,581)                                     |
| <b>Profit net of tax</b>   | <b><u>4,388</u></b>                    | <b><u>3,455</u></b>                          | <b><u>8,300</u></b>                         | <b><u>4,957</u></b>                         |
| <b>Other comprehensive income :</b>                                    |  |  |   |   |
| Foreign currency translation   | (2,237)                                | 1,781  | (1,906)                                     | 2,006                                       |
| <b>Other comprehensive income, net of tax</b>                          | <u>(2,237)</u>                         | <u>1,781</u>                                 | <u>(1,906)</u>                              | <u>2,006</u>                                |
| <b>Total comprehensive income for the period</b>                       | <b><u>2,151</u></b>                    | <b><u>5,236</u></b>                          | <b><u>6,394</u></b>                         | <b><u>6,963</u></b>                         |
| <b>Profit attributable to :</b>  |  |  |   |   |
| Owners of the parent   | 2,451                                  | 2,273  | 4,946                                       | 2,787                                       |
| Non-controlling interest   | 1,937                                  | 1,182  | 3,354                                       | 2,170                                       |
|  | <u>4,388</u>                           | <u>3,455</u>                                 | <u>8,300</u>                                | <u>4,957</u>                                |
| <b>Total comprehensive income attributable to :</b>                    |  |  |   |   |
| Owners of the parent   | 2,006                                  | 3,324  | 4,651                                       | 3,971                                       |
| Non-controlling interest   | 145                                    | 1,912  | 1,743                                       | 2,992                                       |
|  | <u>2,151</u>                           | <u>5,236</u>                                 | <u>6,394</u>                                | <u>6,963</u>                                |
| <b>Earnings per share attributable to equity holders of the parent</b> |  |  |   |   |
| <b>Basic earnings per share (sen) *</b>                                | <b><u>0.37</u></b>                     | <b><u>0.35</u></b>                           | <b><u>0.75</u></b>                          | <b><u>0.42</u></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**  
**AS AT 30 JUNE 2015**  
**(The figures have not been audited)**

|   | <b>Unaudited<br/>30.6.2015<br/>RM'000</b> | <b>Audited<br/>31.12.2014<br/>RM'000</b> |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| <b>Non-current assets</b>   |   |  |
| Property, plant and equipment   | 44,243                                    | 44,423                                   |
| Investment properties   | 39,615                                    | 39,959                                   |
| Prepaid lease payment   | 263                                       | 275                                      |
| Intangible assets   | 13,300                                    | 13,300                                   |
| Deferred tax assets   | 2,254                                     | 2,739                                    |
|   | <u>99,675</u>                             | <u>100,696</u>                           |
| <b>Current assets</b>   |   |  |
| Inventories   | 1,232                                     | 668                                      |
| Trade and other receivables   | 49,775                                    | 39,747                                   |
| Investment in unit trusts   | 11,669                                    | 4,062                                    |
| Cash and bank balances  | 26,984                                    | 22,787                                   |
|   | <u>89,660</u>                             | <u>67,264</u>                            |
| <b>TOTAL ASSETS</b>   | <u>189,335</u>                            | <u>167,960</u>                           |
| <b>EQUITY AND LIABILITIES</b>   |   |  |
| <b>Equity attributable to the owners of the parent</b>                        |   |  |
| Share capital   | 65,800                                    | 65,800                                   |
| Share premium   | 170                                       | 170                                      |
| Other reserves  | (746)                                     | (451)                                    |
| Retained earnings   | 50,493                                    | 45,547                                   |
|   | <u>115,717</u>                            | <u>111,066</u>                           |
| <b>Non-controlling interest</b>   | 25,827                                    | 24,084                                   |
| <b>Total equity</b>   | <u>141,544</u>                            | <u>135,150</u>                           |
| <b>Non-current liabilities</b>  |   |  |
| Retirement benefits obligation  | 1,067                                     | 996                                      |
| Deferred tax liabilities  | 2,301                                     | 2,347                                    |
|   | <u>3,368</u>                              | <u>3,343</u>                             |
| <b>Current liabilities</b>  |   |  |
| Trade and other payables  | 38,016                                    | 22,390                                   |
| Short term borrowings   | 4,197                                     | 5,510                                    |
| Taxation  | 2,210                                     | 1,567                                    |
|   | <u>44,423</u>                             | <u>29,467</u>                            |
| <b>TOTAL LIABILITIES</b>  | <u>47,791</u>                             | <u>32,810</u>                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <u>189,335</u>                            | <u>167,960</u>                           |
| <b>Net assets per share attributable to equity holders of the parent (RM)</b> | <u>0.18</u>                               | <u>0.17</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 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 SECOND QUARTER ENDED 30 JUNE 2015**  
**(The figures have not been audited)**

|   | ← Attributable to owners of the company → |   |                             |   | Total<br>RM'000 | Non-controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|---|---|-----------------------------|---|-----------------|---------------------------------------|---------------------------|
|   | Share<br>Capital<br>RM'000                | Non Distributable<br>Share<br>Premium<br>RM'000 | Other<br>Reserves<br>RM'000 | Distributable<br>Retained<br>Earnings<br>RM'000 |                 |                                       |                           |
| <b>At 1 January 2014</b>                      | 65,800                                    | 170   | (1,110)                     | 45,394  | 110,254         | 21,344                                | 131,598                   |
| Total comprehensive income<br>for the period  | -   | -   | 2,006                       | 3,236   | 5,242           | 2,992                                 | 8,234                     |
| <b>Transactions with owners:</b>              |   |   |                             |   |                 |                                       |                           |
| Dividends                                     | -   | -   | -                           | (4,277)   | (4,277)         | -                                     | (4,277)                   |
| <b>At 30 June 2014</b>                        | <b>65,800</b>                             | <b>170</b>                                      | <b>896</b>                  | <b>44,353</b>                                   | <b>111,219</b>  | <b>24,336</b>                         | <b>139,832</b>            |
| <b>At 1 January 2015</b>                      | 65,800                                    | 170   | (451)                       | 45,547  | 111,066         | 24,084                                | 135,150                   |
| Total Comprehensive account<br>for the period | -   | -   | (295)                       | 4,946   | 4,651           | 1,743                                 | 6,394                     |
| <b>At 30 June 2015</b>                        | <b>65,800</b>                             | <b>170</b>                                      | <b>(746)</b>                | <b>50,493</b>                                   | <b>115,717</b>  | <b>25,827</b>                         | <b>141,544</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 SECOND QUARTER ENDED 30 JUNE 2015**  
**(Unaudited)**

|   | <b>Cumulative<br/>Current Year<br/>Quarter<br/>30.06.2015<br/>RM'000</b> | <b>Cumulative<br/>Preceding Year<br/>Period<br/>30.06.2014<br/>RM'000</b> |
|---|--|---|
| <b>Cash flows from operating activities</b>                 |  |   |
| Profit before taxation                                      | 12,444   | 10,023  |
| <b>Adjustments for :</b>                                    |  |   |
| Depreciation  | 3,296  | 3,386   |
| Amortisation of prepaid lease rental                        | 12   | 12  |
| Provision for retirement benefits obligation                | 71   | 133   |
| Net unrealised foreign exchanges (gain)/loss                | (349)  | -   |
| Finance cost  | 106  | 68  |
| Profit income from investments                              | (195)  | (34)  |
| Profit income from deposits                                 | (183)  | (229)   |
| <b>Operating profit before working capital changes</b>      | <u>15,202</u>  | <u>13,359</u>   |
| Working capital changes :                                   |  |   |
| Increase in receivable                                      | (10,143)   | (4,903)   |
| (Increase)/decrease in inventories and work-in-progress     | (564)  | (1,210)   |
| (Decrease)/increase in payables                             | 8,446  | (3,224)   |
| <b>Cash generated from operations</b>                       | <u>12,941</u>  | <u>4,022</u>  |
| Finance cost paid   | (106)  | (68)  |
| Taxation paid   | (3,334)  | 344   |
| <b>Net cash generated from operating activities</b>         | <u>9,501</u>   | <u>4,298</u>  |
| <b>Cash flows from investing activities</b>                 |  |   |
| Proceeds from disposal of property, plant and equipment     | 3  | -   |
| (Placement)/drawdown of Investment in units                 | (7,607)  | 224   |
| Dividend income from unit trusts                            | 195  | 263   |
| Purchase of property, plant and equipment                   | (2,311)  | (2,239)   |
| Profit received from deposits                               | 183  | 229   |
| <b>Net cash used in investing activities</b>                | <u>(9,537)</u>   | <u>(1,523)</u>  |
| <b>Cash flows from financing activities</b>                 |  |   |
| Drawdown/(repayment) of borrowings                          | -  | -   |
| Dividend paid   | -  | (4,277)   |
| <b>Net cash used in financing activities</b>                | <u>-</u>   | <u>(4,277)</u>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | (37)   | (1,502)   |
| <b>Cash and cash equivalents at 1 January 2015/2014</b>     | <u>22,806</u>  | <u>10,734</u>   |
| <b>Cash and cash equivalents at 30 June 2015/2014</b>       | <u>22,769</u>  | <u>9,232</u>  |
| <b>Cash and cash equivalents :</b>                          |  |   |
| Cash and bank balances                                      | 26,984   | 15,942  |
| Fixed deposits pledged as securities                        | (2,000)  | (2,000)   |
| Overdraft   | (2,215)  | (4,710)   |
|   | <u>22,769</u>  | <u>9,232</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.

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

**FOR THE SECOND QUARTER ENDED 30 JUNE 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 24 August 2015.

**2. Basis of preparation**

The consolidated condensed interim financial information for the 6 months ended 30 June 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.

There were no changes to the Accounting Standards adopted by the Group since the previous report for the year ended 31 December 2014.

**3. MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

As at the date of authorisation of this report, the following Standards, Amendments and Annual Improvements to Standards were issued but not yet effective and have not been adopted by the Group:

Annual Improvement to MFRSs 2012 - 2014 Cycle  
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisations  
Amendments to MFRS 127: Equity Method in Separate Financial Statements  
Amendments to MFRS 101: Disclosure Initiatives  
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities Applying the Consolidation Exception  
MFRS 15: Revenue from Contracts with Customers  
MFRS 9: Financial Instruments

**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 ended 30 June 2015.

FOR THE SECOND QUARTER ENDED 30 JUNE 2015  
SELECTED EXPLANATORY NOTES

6. Segment information

|                        | Environmental<br>Consulting &<br>Engineering<br>Services | Laboratory<br>Testing<br>Services | Waste<br>Management<br>Engineering | Others* | Elimination | Cumulative<br>Quarter<br>ended<br>30.06.2015 |
|------------------------|--|-----------------------------------|------------------------------------|---------|-------------|--|
|                        | RM'000   | RM'000                            | RM'000                             | RM'000  | RM'000      | RM'000                                       |
| <b>Segment Revenue</b> |  |                                   |                                    |         |             |  |
| External revenue       | 18,180   | 19,197                            | 1,317                              | 1,946   | -           | 40,640                                       |
| Inter- segment revenue | 265  | 2,912                             |                                    |         | (3,177)     | -  |
| Total revenue          | 18,445   | 22,109                            | 1,317                              | 1,946   | (3,177)     | 40,640                                       |

**Segment Results**

|                           |       |        |       |         |       |         |
|---------------------------|-------|--------|-------|---------|-------|---------|
| Segment Profit/(loss)     |       |        |       |         |       |         |
| from operations           | 2,885 | 11,730 | (179) | (1,738) | (149) | 12,549  |
| Financing cost            | -     | (26)   | -     | (229)   | 149   | (106)   |
| Taxation                  |       |        |       |         |       | (4,144) |
| Profit after taxation     |       |        |       |         |       | 8,300   |
| Non-controlling interest  |       |        |       |         |       | (3,354) |
| Net profit for the period |       |        |       |         |       | 4,946   |

|                        | Environmental<br>Consulting &<br>Engineering<br>Services | Laboratory<br>Testing<br>Services | Waste<br>Management<br>Engineering | Others* | Elimination | Cumulative<br>Quarter<br>ended<br>30.06.2014 |
|------------------------|--|-----------------------------------|------------------------------------|---------|-------------|--|
|                        | RM'000   | RM'000                            | RM'000                             | RM'000  | RM'000      | RM'000                                       |
| <b>Segment Revenue</b> |  |                                   |                                    |         |             |  |
| External revenue       | 20,015   | 17,090                            | 2,329                              | 1,867   | -           | 41,301                                       |
| Inter- segment revenue | 135  | 1,915                             | -                                  | 480     | (2,530)     | -  |
| Total revenue          | 20,150   | 19,005                            | 2,329                              | 2,347   | (2,530)     | 41,301                                       |

**Segment Results**

|                           |       |       |       |         |       |         |
|---------------------------|-------|-------|-------|---------|-------|---------|
| Segment Profit/(loss)     |       |       |       |         |       |         |
| from operations           | 3,799 | 8,123 | (799) | (1,272) | (245) | 9,606   |
| Financing cost            | -     | -     | -     | (201)   | 133   | (68)    |
| Taxation                  |       |       |       |         |       | (4,581) |
| Profit after taxation     |       |       |       |         |       | 4,957   |
| Non-controlling interest  |       |       |       |         |       | (2,170) |
| Net profit for the period |       |       |       |         |       | 2,787   |

\* 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 SECOND QUARTER ENDED 30 JUNE 2015**  
**SELECTED EXPLANATORY NOTES**

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

**Environmental consulting & engineering**

For the second quarter ended 30 June 2015, Environmental consulting revenue and engineering segment contributed 45% from the total Group's revenue. Revenue decreased by 8% or RM1.7million during the period ended as compared to the preceding year corresponding period ended 30 June 2014. On the other hand, profit has decreased by 24% or RM914k. The decrease were attributed by the delay in securing the target orders from Saudi and Alam Sekitar Malaysia Sdn Bhd's operations.

**Laboratory testing**

Laboratory testing segment contributed 54% of the total Group's revenue. The segment shows an increase by 16% in revenue and 44% in profit as compared to the previous year corresponding period ended 30 June 2015 mainly contributed by higher sales from lab operations Indonesia as well as cost reduction initiative implement by the company.

**Waste management engineering**

Waste management engineering segment has lower revenue by 43% compared to the preceding year corresponding period ended 30 June 2014. However, the segments' profitability improved due to improved project's margin.

**Consolidated profit before tax**

For the year ended 30 June 2015, the Group's profit before tax (PBT) was RM12.4 million which is 30% higher as compared to the preceding year corresponding period ended 30 June 2014 of RM9.5 million. The overall increase resulted from increase in Profit for laboratory testing and huge reduction in loss for waste management engineering segments.

**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     |           | 6 months ended     |           |
| 30.6.2015          | 30.6.2014 | 30.6.2015          | 30.6.2014 |
| RM'000             | RM'000    | RM'000             | RM'000    |

Profit before taxation is arrived at after charging/(crediting):

|                       |     |   |     |   |
|-----------------------|-----|---|-----|---|
| Foreign exchange loss | 399 | 2 | 349 | 2 |
|-----------------------|-----|---|-----|---|

**9. Income tax expense**

| Individual quarter |           | Cumulative quarter |           |
|--------------------|-----------|--------------------|-----------|
| 3 months ended     |           | 6 months ended     |           |
| 30.6.2015          | 30.6.2014 | 30.6.2015          | 30.6.2014 |
| RM'000             | RM'000    | RM'000             | RM'000    |

Taxation comprise the following :

|                       |       |       |       |       |
|-----------------------|-------|-------|-------|-------|
| Current tax :         |       |       |       |       |
| - Malaysia Income Tax | 2,260 | 2,000 | 3,722 | 3,199 |
| - Foreign Tax         | 33    | 283   | 189   | 629   |
| - Deferred tax        |       | 8     | 233   | 753   |
| Tax expense           | 2,293 | 2,291 | 4,144 | 4,581 |

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 not recognisable.

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

**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**  
**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<br>3 months ended |           | Cumulative quarter<br>6 months ended |           |
|--|--------------------------------------|-----------|--------------------------------------|-----------|
|  | 30.6.2015                            | 30.6.2014 | 30.6.2015                            | 30.6.2014 |
| Profit for the period (RM'000)                           | 2,451                                | 2,273     | 4,946                                | 2,787     |
| Number of ordinary shares of RM0.10 each in issue ('000) | 658,000                              | 658,000   | 658,000                              | 658,000   |
| Basic Earnings Per Share (sen)                           | 0.37                                 | 0.35      | 0.75                                 | 0.42      |

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**

|                              | 30.06.2015<br>RM'000 | 31.12.2014<br>RM'000 |
|------------------------------|----------------------|----------------------|
| <b>Short term borrowings</b> |                      |                      |
| Overdraft                    | 2,215                | 3,528                |
| Term loan                    | 1,982                | 1,982                |
|                              | <u>4,197</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 will be paid on 29 September 2015 to all shareholders on the Record of Depositors at the close of business on 10 September 2015.

**14. Commitments**

|                                   | 30.06.2015<br>RM'000 | 31.12.2014<br>RM'000 |
|-----------------------------------|----------------------|----------------------|
| <b>Capital expenditure</b>        |                      |                      |
| Approved and contracted for :     |                      |                      |
| Property, plant & equipment       | 821                  | 230                  |
| Approved but not contracted for : |                      |                      |
| Property, plant & equipment       | 1,879                | 1,098                |
|                                   | <u>2,700</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 June 2015.

**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**  
**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 30 June 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.

**24. Corporate proposals**

As announced on 24 August 2015, the Company proposes to seek its shareholders' approval for the authority for the Company to purchase its own ordinary shares of up to ten per cent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back")

**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 June 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.

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

**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**  
**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 30 June 2015.

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

The breakdown of the retained profits of the Group as at 30 June 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>30.06.2015</b> | <b>31.12.2014</b> |
|---|-------------------|-------------------|
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| Total retained profits of the Group :                       |                   |                   |
| Realised  | 84,874            | 76,886            |
| Unrealised  | 486               | 393               |
|   | <u>85,360</u>     | <u>77,279</u>     |
|   |                   |                   |
| Add/(less) : Consolidation adjustments                      | <u>(34,867)</u>   | <u>(31,732)</u>   |
| Total Group's retained profits as per consolidated accounts | <u>50,493</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