

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2015 RM'000	Corresponding Quarter 31.12.2014 RM'000	Current Year To Date 31.12.2015 RM'000	Corresponding Period 31.12.2014 RM'000
Revenue	21,548	21,153	80,529	83,989
Cost of sales	(4,319)	(5,780)	(15,046)	(21,368)
Gross profit	17,229	15,373	65,483	62,621
Interest income	59	12	256	290
Other income	354	1,670	5,250	1,744
Staff costs	(7,840)	(3,638)	(27,966)	(19,837)
Depreciation and amortisation	(1,579)	(1,995)	(6,617)	(6,944)
Other operating expenses	(10,811)	(5,465)	(22,188)	(15,419)
Profit from operation	(2,588)	5,957	14,218	22,455
Finance costs	(207)	(7)	(330)	(95)
Profit before tax	(2,795)	5,950	13,888	22,360
Income tax expense	(8,358)	(2,384)	(15,728)	(8,369)
Profit/(loss) net of tax	(11,153)	3,566	(1,840)	13,991
Other comprehensive income :				
Foreign currency translation	2,087	3,042	395	1,174
Other comprehensive income/ (loss), net of tax	2,087	3,042	395	1,174
Total comprehensive income for the period	(9,066)	6,608	(1,445)	15,165
Profit attributable to:				
Owners of the parent	(9,702)	1,356	(2,303)	8,445
Non-controlling interest	(1,451)	2,210	463	5,546
	(11,153)	3,566	(1,840)	13,991
Total comprehensive income attributable to :				
Owners of the parent	(8,362)	3,117	(1,687)	9,104
Non-controlling interest	(704)	3,491	242	6,061
	(9,066)	6,608	(1,445)	15,165
Earnings per share attributable to equity holders of the parent				
Basic earnings per share (sen) *	(1.47)	0.21	(0.35)	1.28

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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

	Unaudited 31.12.2015 RM'000	Audited 31.12.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,957	44,423
Investment properties	39,274	39,959
Prepaid lease payment	250	275
Intangible assets	12,795	13,300
Deferred tax assets	1,303	2,739
	98,579	100,696
Current assets		
Inventories	1,003	668
Trade and other receivables	52,333	41,138
Investment in unit trusts	7,907	2,811
Cash and cash equivalents	25,733	22,101
	86,976	66,718
TOTAL ASSETS	185,555	167,414
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	65,800	65,800
Share Premium	170	170
Other reserves	165	(451)
Retained earnings	29,353	45,547
Treasury shares	(27)	-
	95,461	111,066
Non-controlling interest	27,259	24,084
Total equity	122,720	135,150
Non Current Liabilities		
Retirement benefits obligation	1,428	996
Deferred tax liabilities	6,210	2,347
	7,638	3,343
Current liabilities		
Trade and other payables	38,117	22,390
Short term borrowings	17,080	6,531
	55,197	28,921
Total Liabilities	62,835	32,264
TOTAL EQUITY AND LIABILITIES	185,555	167,414
Net assets per share attributable to equity holders of the parent (RM)	0.15	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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

	← Attributable to owners of the company →						Non-controlling Interest RM'000	Total Equity RM'000
	Non Distributable			Distributable		Total RM'000		
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Treasury Shares RM'000			
At 1 January 2014	65,800	170	(1,110)	45,394	-	110,254	21,344	131,598
Total comprehensive income for the period			659	8,445	-	9,104	6,061	15,165
Transactions with owner								
Dividends paid to non controlling interest							(3,321)	(3,321)
Dividends				(8,292)	-	(8,292)	-	(8,292)
At 31 December 2014	65,800	170	(451)	45,547	-	111,066	24,084	135,150
At 1 January 2015	65,800	170	(451)	45,547	-	111,066	24,084	135,150
Total Comprehensive account for the period	-	-	616	(2,303)	-	(1,687)	242	(1,445)
Share buy-back	-	-	-	-	(27)	(27)	-	(27)
Transactions with owner								
Acquisition of a subsidiary				(4,973)		(4,973)		(4,973)
Acquisition of non controlling interest	-	-	-	(6,418)	-	(6,418)	6,418	-
Dividends paid to non controlling interest	-	-	-	-	-	-	(3,485)	(3,485)
Dividends	-	-	-	(2,500)	-	(2,500)	-	(2,500)
At 31 December 2015	65,800	170	165	29,353	(27)	95,461	27,259	122,720

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

	Cumulative Current Year Quarter 31.12.2015 RM'000	Cumulative Preceding Year Period 31.12.2014 RM'000
Cash flows from operating activities		
Profit before taxation	13,888	22,360
Adjustments for :		
Depreciation	6,617	6,673
Amortisation of prepaid lease rental	25	25
Provision for retirement benefits obligation	432	134
Net unrealised foreign exchanges (gain)/loss	(4,696)	(471)
Finance cost	330	204
Dividend income from unit trust	(256)	(51)
Profit income from deposits	-	(564)
Provision for doubtful debts	433	486
Impairment of goodwill	505	284
Operating profit before working capital changes	<u>17,278</u>	<u>29,080</u>
Working capital changes :		
Decrease/(Increase) in receivable	(1,703)	(1,586)
Increase in inventories and work-in-progress	(335)	1,276
Decrease in payables	826	(2,186)
Cash generated from operations	<u>16,066</u>	<u>26,584</u>
Finance cost paid	(330)	(204)
Taxation paid	(9,108)	(8,723)
Net cash generated from operating activities	<u>6,628</u>	<u>17,657</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	5	-
Placement in unit trust	(5,096)	(5,032)
Dividend income from unit trusts	156	51
Purchase of property, plant & equipment	(3,622)	(2,519)
Profit received from deposits	100	564
Net cash used in investing activities	<u>(8,457)</u>	<u>(6,936)</u>
Cash flows from financing activities		
Drawdown of borrowings	670	2,483
Dividend paid	(2,500)	(8,291)
Net cash used in financing activities	<u>(1,830)</u>	<u>(5,808)</u>
Net decrease in cash and cash equivalents	(3,660)	4,913
Cash and cash equivalents at 1 January 2015/2014	<u>15,247</u>	<u>10,334</u>
Cash and cash equivalents at 31 December 2015/2014	<u>11,588</u>	<u>15,247</u>
Cash and cash equivalents :		
Cash and bank balances	33,071	26,671
Fixed deposit pledged as securities	(7,337)	(5,913)
Overdraft	(14,146)	(5,510)
	<u>11,588</u>	<u>15,247</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 FORTH QUARTER ENDED 31 DECEMBER 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 25 February 2016.

2. Basis of preparation

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

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

FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

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

The group has gained 100% control of its Saudi Arabia operations on 1st December 2015.

6. Segment information

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	37,039	37,916	2,191	3,383		80,529
Inter- segment revenue		4,850	-	14,282	(19,132)	-
Total revenue	37,039	42,766	2,191	17,665	(19,132)	80,529
Segment Results						
Segment Profit / (Loss)						
from operations	1,976	22,063	(766)	11,722	(20,777)	14,218
Financing cost	(323)	-	(235)	(348)	576	(330)
Taxation	(3,221)	(9,864)	(1,234)	(1,409)		(15,728)
Profit After Taxation						(1,840)
Minority Interest						(463)
Net profit for the period						(2,303)

	Environmental Consulting & Engineering Services	Laboratory Testing Services	Waste Management Engineering	Others*	Elimination	Cumulative Quarter ended 31.12.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	41,213	35,616	3,463	3,697		83,989
Inter- segment revenue	57	4,215		14,412	(18,684)	-
Total revenue	41,270	39,831	3,463	18,109	(18,684)	83,989
Segment Results						
Segment results/ Profit						
from operations	7,277	18,999	(3,349)	16,400	(16,872)	22,455
Financing cost	(2,766)		(524)	(6,533)	9,728	(95)
Taxation	(3,261)	(3,707)	857	(2,258)		(8,369)
Profit After Taxation						13,991
Minority Interest						(5,546)
Net profit for the period						8,445

* 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 FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

6. Segment information (cont'd)

Environmental consulting & engineering

For the forth quarter ended 31 December 2015, Environmental consulting revenue & engineering segment contributed 46% from the total Group's revenue. Revenue decreased by 10% or RM4.2 million during the period ended as compared to the preceding year corresponding period ended 31 December 2014. On the other hand, profit has decreased by 72% or RM5.3 million. The decrease were attributed by the and delay in securing order from ASMA and Saudi operation , provision for personnel termination benefits as per Kingdom of Saudi Arabia Law and provision of doubtful debt performed for RM 1.4 million and RM 1.9 million respectively.

Laboratory testing

Laboratory testing segment contributed 47% of the total Group's revenue. The segment shows an increase by 6% in revenue and 16% in profit as compared to the previous year corresponding period ended 31 December 2014 mainly contributed by higher sales from lab operations Indonesia as well as higher cost reduction initiative implement by the company.

Waste management engineering

Waste management engineering segment has lower revenue by 37% compared to the preceding year corresponding period ended 31 December 2014 due to delay in securing order. However, the segments' profitability improved due to improved project's margin.

Consolidated profit for the period

For the year ended 31 December 2015, the Group's Net loss was RM2.3 million which is lower as compared to the preceding year corresponding period ended 31 December 2015 of RM8.4 million. The overall decreased resulted from in loss for waste management engineering segments.

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 12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Profit before taxation is arrived at after charging/(crediting):				
Impairment of goodwill	505	284	505	284
Foreign exchange gain	770	(377)	(2,876)	(564)

FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

9. Income tax expense

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Taxation comprise the following :				
Current tax :				
- Malaysia Income Tax	6,572	2,043	12,543	7,936
- Foreign Tax	1,788	174	1,977	1,157
- Deferred tax	(2)	167	1,208	(724)
Tax expense	<u>8,358</u>	<u>2,384</u>	<u>15,728</u>	<u>8,369</u>

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.

10. Earnings per share

The basic earnings per share for the quarter and cumulative year to date are computed as follow:

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	Profit for the period (RM'000)	(9,702)	1,356	(2,303)
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>(1.47)</u>	<u>0.21</u>	<u>(0.35)</u>	<u>1.28</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

	31.12.2015	31.12.2014
	RM'000	RM'000
Short term borrowings		
Overdraft	14,146	4,549
Term loan	<u>2,934</u>	<u>1,982</u>
	<u>17,080</u>	<u>6,531</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 was paid on 29 September 2015 to all shareholders on the Record of Depositors at the close of business on 10 September 2015.

At the forthcoming Annual General Meeting, a final net dividend of 0.23 sen per share in respect of financial year ended 31 December 2015 amounting to a dividend payable of RM1,513,090 will be proposed for shareholders approval. The date of entitlement and payment will be determined in due course. The current quarter report do not reflect this proposed dividend. Such dividend, if approved by the shareholder, will be accounted for in equity as an appropriation of retained profits of the financial year ended 31 December 2016.

FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

14. Commitments

	31.12.2015 RM'000	31.12.2014 RM'000
Capital expenditure		
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 31 December 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 December 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

The group continues looking at opportunities in expanding the market of its main products and services. The regulations remain as the main driver of the business opportunity as well as the value proposition offered by our products and services. The outlook for year 2016 is expected to be challenging with high focus in new project and at the same time managing the costs.

23. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

FOR THE FORTH QUARTER ENDED 31 DECEMBER 2015
(Unaudited)

24. Corporate proposals

There are no corporate proposals announced but not completed as at the date of issue of these financial statements.

25. Disclosure of gains/(losses) arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 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 December 2015.

28. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 December 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.

	31.12.2015 RM'000	31.12.2014 RM'000
Total retained profits of the Group :		
Realised	58,293	76,886
Unrealised	1,161	393
	<u>59,454</u>	<u>77,279</u>
Add/(less) : Consolidation adjustments	(30,101)	(31,732)
Total Group's retained profits as per consolidated accounts	<u>29,353</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