



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

**ERRATA TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

Dear Shareholders

The Company wishes to inform that there are changes to the information in the Audited Financial Statements for the financial year ended 31 December 2015 announced by the Company on 29 April 2016. The changes are highlighted in bold in the attachment.

We apologise for any inconvenience caused.

Yours faithfully  
**ZAIDAH BINTI MOHD SALLEH (MIA 3313)**  
Company Secretary  
Shah Alam

29-Apr-16

## **1) Page 61 - Director's report**

### **Other statutory information (cont'd.)**

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
  - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
  - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### ***Significant event***

***During the year, the Company acquired the remaining interest in a subsidiary. Details are disclosed in Note 14 to the financial statements.***

## **2) Page 71 to 72 - Statement of Cash Flow (cont'd.)**

### **Statements of Cash Flows**

**For the financial year ended 31 December 2015 (cont'd.)**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		
<b>Cash flows from operating activities (cont'd.)</b>				
Operating profit/(loss) before working capital changes (brought forward)	22,482,729	28,860,940	(2,142,583)	(4,231,633)
Working capital changes:				
(Increase)/decrease in receivables	(12,586,259)	6,578,064	<b>(11,537,174)</b>	2,456,509
(Increase)/decrease in work-in-progress	(334,836)	100,043	-	-
Increase/(decrease) in payables	8,204,843	(920,043)	8,952,378	2,329,333
Cash generated from/(used in) operations	17,766,477	34,619,004	(4,727,379)	554,209
Financing cost paid	(265,399)	(95,183)	(348,233)	(25,505)
Taxation paid	(10,400,324)	(3,748,607)	(1,602,489)	(28,896)
Net cash generated from/ (used in) operating activities	<u>7,100,754</u>	<u>30,775,214</u>	<u>(6,678,101)</u>	<u>499,808</u>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	385,861	52,203	53	-
Placement of unit trust	(4,278,457)	(2,661,569)	-	-
Purchase of property, plant and equipment	(4,904,211)	(7,264,630)	(139,082)	(1,303,329)
Purchase of investment properties	(4,500)	-	(4,500)	-
Addition of investment in a subsidiary	(503,960)	-	(503,960)	(49,998)
Net dividend received	-	-	<b>12,015,001</b>	11,779,000
Profits received from deposits	75,296	291,697	113,596	82,051
Dividend from unit trust	214,035	3,831	21,016	3,831
Movement in restricted deposits	(3,508,279)	(2,151,892)	(6,699,552)	-
Net cash (used in)/generated from investing activities	<u>(12,524,215)</u>	<u>(11,730,360)</u>	<u>4,802,572</u>	<u>10,511,555</u>

### **3) Page 84- Significant Accounting Policies (cont'd.)**

#### **2. Significant accounting policies (cont'd.)**

##### **2.2 Summary of significant accounting policies (cont'd.)**

###### **(h) Impairment of financial assets (cont'd.)**

###### **(ii) Available-for-sale financial assets (cont'd.)**

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

###### **(i) Cash and cash equivalents**

***Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with banks with an original maturity of 3 months or less, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and the Company's cash management, less restricted deposits.***

###### **(j) Construction contracts**

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### **4) Page 111- Property, Plant and Equipment (cont'd.)**

#### **12. Property, plant and equipment (cont'd.)**

##### **(a) Group - Land and buildings**

	<b>Freehold land RM</b>	<b>Building RM</b>	<b>Total RM</b>
<b>2015</b>			
<b>Cost</b>			
At 1.1.2015	7,727,122	13,166,410	20,893,532
Exchange differences	-	<b>1,253,521</b>	<b>1,253,521</b>
At 31.12.2015	<u>7,727,122</u>	<u><b>14,419,931</b></u>	<u><b>22,147,053</b></u>
<b>Accumulated depreciation</b>			
At 1.1.2015	-	1,160,650	1,160,650
Charge for the year	-	442,833	442,833
Exchange differences	-	<b>91,716</b>	<b>91,716</b>
At 31.12.2015	<u>-</u>	<u><b>1,695,199</b></u>	<u><b>1,695,199</b></u>
<b>Net carrying amount</b>			
At 31.12.2015	<u>7,727,122</u>	<u><b>12,724,732</b></u>	<u><b>20,451,854</b></u>
<b>2014</b>			
<b>Cost</b>			
At 1.1.2014	17,015,246	13,653,798	30,669,044
Addition	-	291,175	291,175
Disposal	-	(41,880)	(41,880)
Transfer to investment properties	(9,288,124)	(5,637,674)	(14,925,798)
Reclassification	-	4,695,886	4,695,886
Exchange differences	-	205,105	205,105
At 31.12.2014	<u>7,727,122</u>	<u>13,166,410</u>	<u>20,893,532</u>
<b>Accumulated depreciation</b>			
At 1.1.2014	-	790,451	790,451
Charge for the year	-	648,378	648,378
Disposal	-	(4,703)	(4,703)
Transfer to investment properties	-	(291,280)	(291,280)
Exchange differences	-	17,804	17,804
At 31.12.2014	<u>-</u>	<u>1,160,650</u>	<u>1,160,650</u>
<b>Net carrying amount</b>			
At 31.12.2014	<u>7,727,122</u>	<u>12,005,760</u>	<u>19,732,882</u>

## **5) Page 114- Investment in Subsidiaries**

### **14. Investment in subsidiaries**

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	4,223,524	4,173,526
Additions during the year	4,972,599	49,998
Less: Impairment in investment	<u>(6,399,601)</u>	<u>(1,427,002)</u>
	<u>2,796,522</u>	<u>2,796,522</u>

#### ***Acquisition of non-controlling interest***

***On 1 December 2015, the Group acquired an additional 30% equity interest in Saudi ASMA Environmental Solution LLC ("SAES") from its non-controlling interest for a cash consideration of RM4,972,599. The payment is staggered over a period of one year. As a result of this acquisition, SAES became wholly-owned subsidiary of the Group.***

The following is the additional interest acquired in SAES:

	<b>RM</b>
Cash consideration to non-controlling interests	4,972,599
Fair value of the additional interest in SAES at the date of acquisition	<u>(4,730,672)</u>
Decrease in the equity attributable to the owners of the Company	<u>9,703,271</u>