



PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No. 203352 V)

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

Dear Shareholders

We refer to the Annual Report 2015 and Errata which were despatched to you on 29 April 2016 and wish to inform you of the amendments highlighted in ***bold and italic*** in the attachment.

We apologise for any inconvenience caused.

Yours faithfully

ZAIDAH BINTI MOHD SALLEH (MIA 3313)

Company Secretary

Shah Alam

11 May 2016

1) Investment in subsidiaries(Page 114)

	Company	
	2015	2014
	RM	RM
Unquoted shares, at cost	4,223,524	4,173,526
Additions during the year	4,972,599	49,998
Less: Impairment in investment	(6,399,601)	(1,427,002)
	<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. **An initial sum of RM503,960 was paid and remaining balance was accrued as at year end.** The payment is staggered over a period of one year. As a result of this acquisition, SAES became wholly-owned subsidiary of the Group.

2) Investment in subsidiaries (cont'd.) (Page 117)

Non-controlling interests ("NCI")

	ALS Group*	SAES	ASET	Total
	RM	RM	RM	RM
2015				
NCI percentage of ownership interest and voting interest	41%	-	10%	
Carrying amount of NCI	<u>27,702,622</u>	<u>-</u>	<u>(254,899)</u>	<u>27,447,723</u>
Profit/(loss) allocated to NCI	<u>6,332,113</u>	<u>(4,832,552)</u>	<u>(222,784)</u>	<u>1,276,777</u>
2014				
NCI percentage of ownership interest and voting interest	41%	30%	10%	
Carrying amount of NCI	<u>24,040,595</u>	<u>75,799</u>	<u>(32,115)</u>	<u>24,084,279</u>
Profit/(loss) allocated to NCI	<u>6,600,579</u>	<u>(805,621)</u>	<u>(249,274)</u>	<u>5,545,684</u>

* **Included non-controlling interest percentage of ownership interest and voting interest of PT ALS Indonesia.**

3) Financial guarantee (Page 137)

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Unsecured				
Corporate guarantees given for banking facilities	<u>26,000,000</u>	<u>25,000,000</u>	14,000,000	17,000,000

No fair value adjustment required as no liability is expected to arise.