APFT BERHAD | ANNUAL REPORT 2015

CONTENT

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of APFT Berhad, I am pleased to present the Annual Report and Audited Financial Statements of your Company and the Group for the financial year from 1 April 2014 to 31 March 2015.

The year 2014/2015 has been a very challenging year for our Group as we were faced with several adverse events including the country's aviation industry restructuring programs. The restructuring programs gave the perception that there are no requirements for new cadet pilot intake hence there is no market for training. However, it can be seen that airlines are still recruiting and we are continuing to train local cadets from airlines and universities.

We seek to increase our regional presence with recent intakes from Timor Leste. Our India and Indonesia academies have started operations as they have obtained all the necessary licenses and approvals, and both academies have started their intakes for pilot training.

The Group's other divisions have also geared up to contribute to the revenue stream. One of the Group's subsidiaries has been awarded a 7-year contract given by the Ministry of Education under the 'buying places' for vocational programs. Besides Ground Handling programs, the subsidiary has been accredited by the Malaysian Qualification Agency for Aircraft Maintenance Engineering Diploma and Advance Diploma courses. The same subsidiary has also signed a joint aviation agreement with Lufthansa Technical Training GmBH to train for EASA Category 'A' licensing.

BUSINESS REVIEW & PROSPECTS

The fallout from the two unfortunate events in Malaysia Aviation and the aviation industry's restructuring programs have caused a sharp decrease in pilot training demand in our country. We have taken initiatives and implemented effective measures to ensure the sustainability of the Group, vis a vis diversifying into other countries and oil and gas sector.

Flight training remains as one of our core business and we are increasing our marketing for the rotary pilot training as our country is short of helicopter pilots. Jabatan Bomba dan Penyelamat Malaysia has renewed their contract. The new batch of cadets from BOMBA has started their training. Based on our achievements, we hope that other agencies will have their cadets to train with us.

Besides the additional accreditation of our Diploma and Advance Diploma courses by the Malaysian

Qualification Agency, we believe there are many opportunities for more aviation programs. We have also signed a joint aviation agreement to train students for a globally recognized international license which have attracted the interest of many sectors.

We hope to commence our charter services as we see potential in this sector. Our Maintenance Repair Overhaul subsidiary has been servicing our own aircraft and we are upgrading it to service larger aircraft and to cater for such business opportunities.

The Group reported a net loss of RM22 million for the year ended 31 March 2015 due to the RM10 million impairment for the oil and gas subsidiary.

The oil and gas sector experienced a setback as Petronas has deferred the new development to 2016/17. Our subsidiary was interested to participate in the bidding of the Refinery And Petrochemicals Integrated Development (RAPID) projects. However, with the deferment, the focus would be on short term projects in the country and in the region. With the size of the project and the commitment by Petronas expected to spend more than RM300 billion we are confident to be involved.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our special appreciation to our valued investors, business associates and stakeholders for your continual support, assistance and confidence in the Group. To the Management and Staff of the Group, your contribution, commitment and efforts are much appreciated.

Dato' Faruk Othman
Executive Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Faruk Bin Othman
Executive Chairman

Encik Arif Bin Faruk
Executive Director

Dato Azmi Bin Abdullah
Independent Non-Executive Director

Encik Nik Din Bin Nik Sulaiman
Independent Non-Executive Director

Mr. Tan Nyap Keong @ Tony Tan
Independent Non-Executive Director

AUDIT COMMITTEE

Encik Nik Din Bin Nik Sulaiman
Chairman

Dato Azmi Bin Abdullah
Member

Mr. Tan Nyap Keong @ Tony Tan
Member

NOMINATION COMMITTEE

Mr. Tan Nyap Keong @ Tony Tan
Chairman

Dato Azmi Bin Abdullah
Member

Encik Nik Din Bin Nik Sulaiman
Member

REMUNERATION COMMITTEE

Dato Azmi Bin Abdullah
Chairman

Dato' Faruk Bin Othman
Member

Encik Nik Din Bin Nik Sulaiman
Member

COMPANY SECRETARIES

Mr. Tan Kok Aun (MACS 01564)
Ms. Wong Wai Yin (MAICSA 7003000)

AUDITORS

Messrs SJ Grant Thornton
Chartered Accountants
(Firm No. AF 0737)
Level 11, Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur.

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
(Formerly known as Equiniti Services Sdn. Bhd.)
(Company No. 11324-H)
Level 17, The Gardens North Tower
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel: 603-2264888
Fax: 603-22821886

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
(Company No. 635998-W)
Stock Code: 5194

REGISTERED OFFICE

c/o **PCA Advisory Sdn Bhd**
(Company No. 738636-A)
No 1 & 1A, 2nd Floor (Room 2),
Jalan Ipoh Kecil,
50350 Kuala Lumpur.
Tel: 603-40435750
Fax: 603-40435755

HEAD OFFICE

Suite 50-5-5, 5th Floor,
Wisma UOA Damansara,
50, Jalan Dungun,
Bukit Damansara,
50490 Kuala Lumpur.
Tel: 603-2092 3177
Fax: 603-2093 9218
Website: www.apft.edu.my

FLIGHT TRAINING CENTRES

Old Terminal Building,
Sultan Ismail Petra Airport,
Pengkalan Chepa,
16100 Kota Bharu,
Kelantan Darul Naim.

Lapangan Terbang
Sultan Mahmud,
21300 Kuala Terengganu,
Terengganu.

Lot 38021,
Lapangan Terbang
Sultan Azlan Shah,
Jalan Lapangan Terbang,
31350 Ipoh, Perak.

Hangar 4,
Lapangan Terbang
Sultan Abdul Aziz Shah,
47200 Subang, Selangor.

GMR HIAL Airport Office
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad,
500049 India.

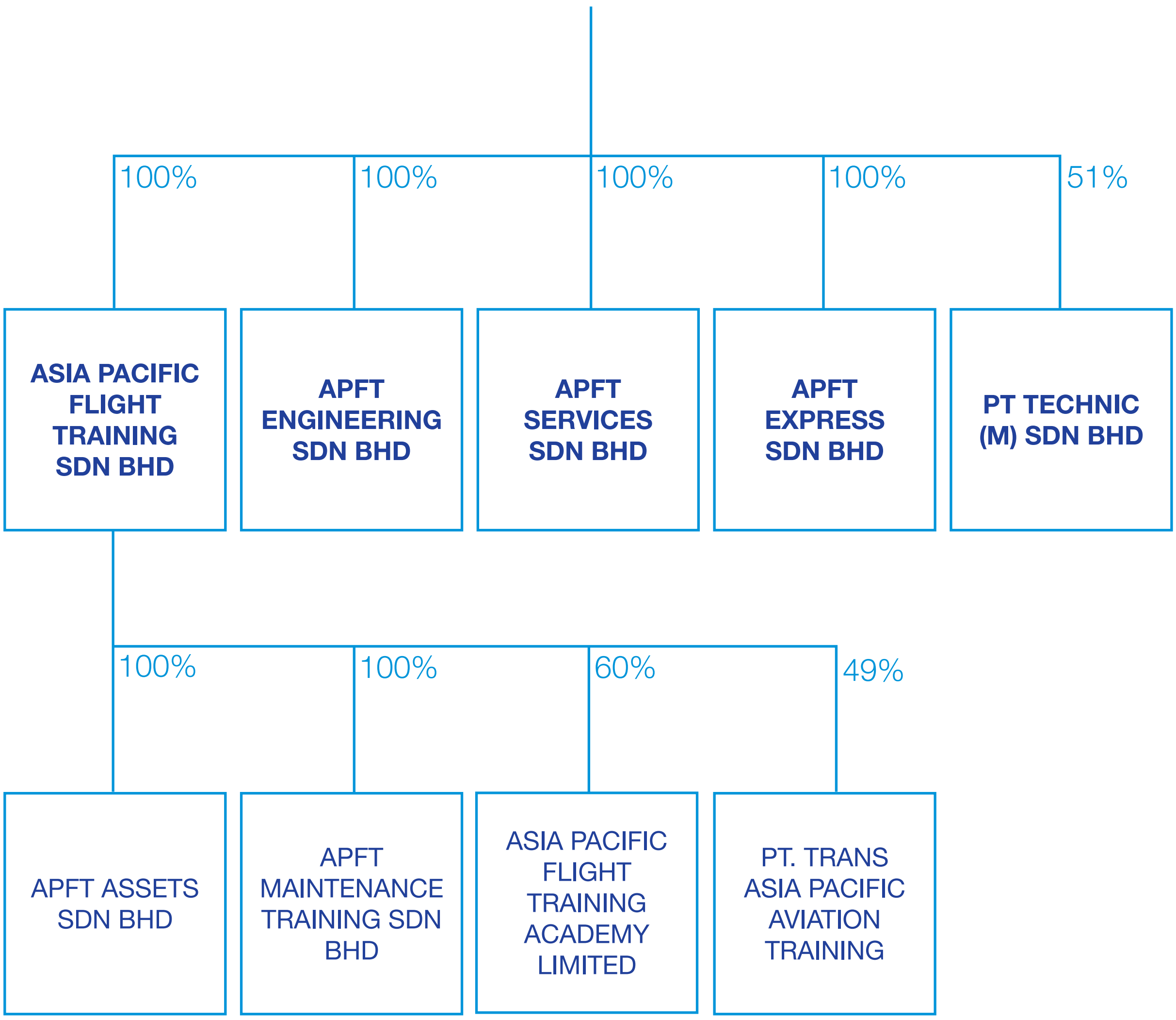
Trunojoyo Airport
Jalan Raya Bandara,
Trunojoyo no. 1,
Sumenep 69451,
Jawa Timur, Indonesia.

OIL & GAS

PT Technic (M) Sdn Bhd
Unit G-07-02, Level 2 ,
Block G, Setiawalk,
Persiaran Wawasan,
Pusat Bandar Puchong,
47160 Puchong,
Selangor.

CORPORATE STRUCTURE

APFT BERHAD



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at Kuala Lumpur Golf & Country Club Function Room 2 & 3, 1st floor, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on Monday, 21 September 2015 at 9.30am for the following purpose:

1. To receive the Audited Financial Statements for the year ended 31 March 2015 together with the Reports of Directors' and Auditors' thereon. **Refer to Note B**

2. To re-elect the following directors who retire in accordance with Article 104 of the Company's Articles of Association, being eligible, offer themselves for re-election:

   (a) Dato' Faruk Bin Othman **Resolution 1**

   (b) Dato Azmi Bin Abdullah **Resolution 2**

3. To approve the payment of Directors' fees of RM97,200 for the year ended 31 March 2015. **Resolution 3**

4. To consider, and if thought fit, to pass the following resolution: **Resolution 4**

   "THAT Messrs SJ Grant Thornton, the retiring Auditors, be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next annual general meeting at a fee to be determined by the Directors at a later date."

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution:

5. **Ordinary Resolution - Authority to Issue Share** **Resolution 5**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

6. To transact any other business for which due notice shall have been given.

By Order of the Board

TAN KOK AUN (MACS 01564)
WONG WAI YIN (MAICSA 7003000)
Company Secretaries

Kuala Lumpur
25 August 2015

Notes :

A. PROXY

1. *For the purpose of determining a member who shall be entitled to attend this meeting, only members whose names appear in the Record of Depositors as at 11 September 2015 will be entitled to attend and speak and vote at the Meeting.*

2. *A member of the Company entitled to be present and to vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote instead of him(her). A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

4. *Where a member appoints more than one (1) proxy to attend and vote at the same Meeting, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*

5. *If the appointer is a corporation, this form must be executed under its common seal or under the hand of its officer or attorney.*

6. *The instrument appointing a proxy must be deposited at the registered office of the Company at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.*

B. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

This agenda item is meant for discussion only as the provisions of Section 169(1) of the Companies Act, 1965 and the Company s Articles of Association do not require a formal approval of the said Audited Financial Statements by the shareholders. Hence, this agenda item is not subject to voting by the shareholders.

C. EXPLANATORY NOTE ON SPECIAL BUSINESS

Authority to Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965
The proposed Ordinary Resolution 5 under item 5, if passed, will allow the Company to procure the renewal of the general mandate which will empower the Directors of the Company to issue and allot new shares in the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, which will expire at the next Annual General Meeting of the Company. As at the date of this Notice, no new shares were issued pursuant to the general mandate obtained at the Fourth Annual General Meeting held on 15 September 2014 which will lapse at the conclusion of this Annual General Meeting. This general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

PROFILE OF THE BOARD OF DIRECTORS

DATO' FARUK BIN OTHMAN
Executive Chairman

Faruk bin Othman, a Malaysian, aged 67, was appointed as Executive Chairman on 22 June 2010.

He graduated in Business Studies and completed a post graduate Diploma in Management Studies from University of Sussex, United Kingdom. Faruk has over 30 years experience in the financial sector, mainly in banking and stock broking. He was the Executive Director of Inter-Pacific Securities before being appointed as the Executive Chairman of United Merchant Finance Berhad in 1994.

Presently, Faruk is a Director and Member of the Audit Committee of Premier Nalfin Berhad a company listed on the Main Market of Bursa Malaysia Securities Berhad. He also sits on the board of several private limited companies.

He has no conflict of interest with the Group and has no convictions for offence within the past ten years. He attended all six (6) Board Meetings of the Company held during the financial year ended 31 March 2015.

He is a member of the Remuneration Committee.

ARIF BIN FARUK
Executive Director

Arif bin Faruk, a Malaysian, aged 38, was appointed as Non-Executive Non Independent Director on 22 June 2010. He was redesignated as Executive Director on 1 August 2011.

Arif graduated with a Bachelor's of Engineering Degree (Aeronautical & Aerospace) from University of London, Queen Mary and Westfield College, United Kingdom. After completing his degree, he worked as a Design Engineer.

He obtained his professional pilot's licence from United Kingdom and joined Malaysia Airlines as a pilot. Later Arif joined Jet Premier One Sdn Bhd as a pilot for the Government of Malaysia's Airbus Corporate Jet until July 2011.

He also sits on the board of several private limited companies.

He is the son of Dato' Faruk bin Othman. He has no conflict of interest with the Group and has no convictions for offence within the past ten years. He attended all six (6) Board Meetings of the Company held during the financial year ended 31 March 2015.

DATO AZMI BIN ABDULLAH
Independent Non-Executive Director

Azmi Abdullah, aged 64, was appointed as an Independent Non-Executive Director on 23 April 2012.

He graduated with B.A. (Hons) Degree in Economics from Universiti Kebangsaan Malaysia (UKM) in 1974.

He is currently a Non-Executive Independent Director of Bank Muamalat Malaysia Berhad, a Director of Transnational Insurance Brokers Sdn. Bhd, Kumpulan Wang Amanah Pencen (KWAP), a board member of Ireka Corporation Berhad and a Director and member of Investment Committee of Amanahraya Berhad. He also sits on the board of several private limited companies.

He does not have any family relationship with any other Directors and/or major shareholder of the Group and has no conflict of interest with the Group. He has no conviction for offence within the past ten years.

He attended all six (6) Board Meetings of the Company held during the financial year ended 31st March 2015.

He is the Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees.

NIK DIN BIN NIK SULAIMAN
Independent Non-Executive Director

Nik Din bin Nik Sulaiman, aged 67, was appointed as an Independent Non-Executive Director on 6 December 2010.

He is a Chartered Accountant of Malaysian Institute of Accountants, CA(M), and a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He has extensive experience in accounting, auditing and finance. He served in Sime Darby Group from 1992 to 2004, where he held positions as Group Chief Internal Audit Manager and Finance Director. Prior to this, he worked for Promet Berhad as Financial Controller and later as Finance Director.

Currently, Nik Din is an Independent Non-Executive Director of MTD ACPI Engineering Berhad and Reach Energy Berhad, which are listed on Bursa Malaysia Securities Berhad. He sits on the board of several private limited companies.

He does not have any family relationship with any other Directors and/or major shareholder of the Group and has no conflict of interest with the Group. He has no convictions for offence within the past ten years.

He attended all six (6) Board Meetings of the Company held during the financial year ended 31 March 2015.

He is the Chairman of Audit Committee and a member of the Remuneration and Nomination Committees.

TAN NYAP KEONG @ TONY TAN
Independent Non-Executive Director

Tan Nyap Keong @ Tony Tan, Malaysian aged 64, is an Independent Non-Executive Director of the Company. He was appointed to the Board on 1 November 2011. He was appointed as member of the Audit Committee on 18 November 2011. He graduated from the University of Tasmania, Australia with a Bachelor of Arts Degree majoring in Political Science and Administration and then read law at Lincoln's Inn England. He was called to the English Bar in July 1979. Mr. Tan was called to the Malaysian Bar in 1980 and is now an advocate and solicitor of the High Court of Malaya. He is the founding partner of the legal firm of Messrs N.K.Tan & Rahim. He has 33 years of experience in commercial law and are well-versed in conveyancing, litigation and general law.

He does not have any family relationship with any directors and/or substantial shareholders of the Company. He has not been convicted of any offences within the past 10 years. He has no conflict of interest with the Company.

He attended all six (6) Board Meetings of the Company held during the financial year ended 31 March 2015.

He is the Chairman for Nomination Committee and member of Audit Committee.

STATEMENT OF CORPORATE GOVERNANCE

The Malaysian Code on Corporate Governance 2012 ("the Code") sets out the principles and recommendations on the structures and processes that companies may adopt in governing the board towards achieving effective governance.

Towards this end, the Board of Directors ("Board") of APFT Berhad ("APFT" or "the Company") is pleased to present herewith its statement on how the Board has applied and observed the principles and recommendations suggested in the Code and has continued to exercise good governance in conducting its affairs and to enhance shareholder's value and financial performance of the Group.

BOARD ROLES AND RESPONSIBILITIES

The Board assumes full responsibilities of the overall performance of the APFT Group by setting strategic plans for the Company and overseeing the conduct of the Company's businesses based on the periodic performance of the Group reported by management in the quarterly financial results and operational information and explanation provided by management.

The Board also reviews the adequacy and integrity of the Company's risk management, internal control systems and management information system, identifying key risks and ensuring implementation of appropriate systems to manage these risks and developing shareholder's communication policy and management succession for the Company.

The Board recognizes that differences of opinion may happen among its members. Accordingly, the Board keeps its meeting open and constructive and seek consensus among its members. The concept of transparency, accountability and integrity continue to forms the fundamentals to which the Board discharges its duties.

The Board has appropriately delegated specific tasks to four (4) Board Committees; namely, Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee. These Committees ensure greater attention; objectivity and independence are provided in the deliberations of specific board agenda. In order to ensure the direction and control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee. The Chairman of the respective Board Committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees. As of the date of this report, the ESOS Committee have yet to be implemented.

In line with the recommendations of the Code, the Board has formalized its Board Charter, which sets out a list of specific roles, and functions reserved to the Board and other matters that are important for good corporate governance as well as its ethical standards in the Code of Conduct. Also, following the introduction of the Whistleblower Protection Act, 2010, the Board has formalized and adopted its whistle blowing policy to report on illegal or unethical practices. The abridged version of the Board Charter, Code of Ethics and Conduct for directors and Whistle Blowing Policy are available on the Company's website, www.apft.com.my.

BOARD COMPOSITION AND BALANCE

The composition of the Board is well balanced with the presence of Independent Non-Executive Directors of the necessary caliber to carry sufficient weight in Board decisions. Currently, the Board has five (5) Directors, comprising one (1) Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. These Directors bring a wide range of business and financial experience, skills and expertise. The profile of each Director is presented on pages 8 to 10 of this Annual Report.

The Executive Chairman is responsible for the business direction and development of the Group whilst the Management is responsible for the day-to-day management of the operations of the Group. Despite the position of the Board Chairman is held by an Executive Director, the Board believes that its current board composition with majority independent directors ensures the balance of power and authority at the Board and the interest of all shareholders and the Company is safeguarded. In the absence of a named Senior Independent Director, shareholders are encouraged to express their concerns if any to and seek clarification from any of the members of the Board.

The Board has assessed the independence of the Independent Non- Executive Directors based on the criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and is satisfied with the level of independence of its independent directors presently. All the Independent Non-Executive Directors are independent of all the management duties and they do not have any family relationship with any of the Board members, which could interfere with their exercise of independent judgment during the decision-making process of the Board or the ability to act in the best interest of the Company.

In order to uphold independence of Independent Directors, the Board has adopted following recommendations of the Code:

(a) Subject to Board's justification and shareholders' approval, tenure of Independent Directors should not exceed a cumulative nine (9) years; and

(b) Board to undertake an annual assessment of independence of its Independent Directors focusing on events that would affect the ability of Independent Directors to continue bringing independent and objective judgement to the Board's deliberation and the regulatory definition of independent directors.

Presently, the tenure of office of all the Independent Directors in the Company is less than nine (9) years.

BOARD MEETINGS

The Board meets at least four (4) times a year, with additional meetings convened as necessary. During the financial year ended 31 March 2015, the Board met 6 times and these meetings were fully attended by all Board Members. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities.

The Board meets to review matters under its purview such as performance and operations of the Group, strategic direction, dividend, major asset acquisitions and disposals, joint ventures and investments decisions as well as, issue of new shares, related party transactions, financial performance and other significant matters.

SUPPLY OF INFORMATION

Prior to each Board Meeting, all Directors are given an agenda and a set of Board papers to enable them to review the matters to be discussed at the Board Meeting and to be able to participate more effectively during the board meetings. The Board Papers include minutes of the previous meeting, quarterly financial results and other issues requiring the Board's deliberation and approval. The Chairman of Audit, Remuneration, and Nomination Committees propose to the Board their recommendations for approval.

The Board members have unrestricted access to timely and accurate information, necessary for the performance of their duties as a full Board as well as in their individual capacities. Senior management will be invited to the Board Meetings to further assist the Board to understand the Company's operations when needed.

All Directors have access to the advice and services of the Company Secretaries, the Internal Auditors and the External Auditors. Subject to the Board's approval, all board members could seek independent professional advices in furtherance their responsibilities at the expense of the Company.

The Company Secretaries provide guidance to the Board on matters pertaining to the Board's responsibilities in order to ensure that they are effectively discharged within the legal and regulatory requirements. This includes updating the Board on the Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, the Code and other legal and regulatory developments and their impact on the Group and its businesses.

The Company Secretaries attend all Board Meetings and Board Committee meetings. The Company Secretaries are responsible for the recording and safekeeping of the minutes and ensuring that these minutes are kept at the registered office of the Company and are available for inspection, if required.

APPOINTMENTS, APPRAISAL AND RE-ELECTION OF DIRECTORS

The principle of the Board's composition policy is to maintain effective size of the board that reflects its responsibilities, dynamic, the representatives of the interests of shareholders and promotes common purpose and sense of sharing among its members.

The appointment of new Directors is under the purview of the Nomination Committee, which is responsible for making recommendations to the Board on suitable candidates for appointment as Directors of the Company. The actual decision as to whom shall be nominated is the responsibility of the full Board after considering the Nomination Committee's recommendations.

As part of the process of assessing the suitability of candidates for Board membership, the Nomination Committee takes into account various factors such as the individual's educational background, independence, time availability, experience, skills, core competence and general knowledge of the Company's businesses and markets.

The Nomination Committee is empowered to review annually the effectiveness, contribution and performance of the Board, Board Committees and Board members and the independence of its Independent Directors. The objective of this review is to ensure that the Board's size, structure and composition meet the needs and expectations of the Company and the Listing Requirements as well as the mix of skills, gender diversity, character, experience, integrity, competence and time to effectively discharge their roles and responsibilities as a board member.

In accordance with the Company's Articles of Association, all newly appointed Directors shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment. The Articles of Association of the Company also provide that at least one third (1/3) of the remaining Directors be subject to re-election by rotation at each Annual General Meeting. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

During the financial year, the Nomination Committee conducted one (1) meeting. This meeting was attended by all members of the Committee. Based on the deliberation and review conducted, the Nomination Committee reported to the Board that:

(a) The present size and composition of the Board and Board Committees is adequate and effective in view of the present activities of the Group;

(b) The performance and contribution of each individual Director is satisfactory from the results of the evaluation;

(c) The Board possesses the required mix of skills, experience and other qualities necessary for carrying out their duties;

(d) The Chief Finance Officer has demonstrated the necessary character, experience, integrity, competency and time commitment in discharging his role; and

(e) All Independent Non-Executive Directors have fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and, they would be able to function as a check and balance, and bring an element of objectivity to the Board.

Based on the Nomination Committee's review, it was concluded that the caliber, experiences, qualifications and the present mix of Board members are sufficiently adequate.

Acknowledging the important of gender diversity in the board composition, going forward the Board through its Nomination Committee ensures that women candidates are sought when considering future candidate for vacancy at the Board.

DIRECTORS' TRAINING

The Directors are encouraged to attend continuous education programmes and seminars to keep abreast of relevant changes in laws and regulations and the developments in the industry. New Directors are being briefed on the Company's history, operations and financial control system and base visits would be conducted to enable them to have an in-depth understanding of the Company's operations as part of the Board's induction process.

During the financial year ended 31 March 2015, the Directors have attended individually and collectively various training programmes relating to corporate governance and risk management.

DIRECTORS' REMUNERATION

The Remuneration Committee conducted 1 meeting to review and deliberate on the remuneration scheme during the financial year ended 31 March 2015. The Remuneration Committee concluded that the level of remuneration set for each individual Director is sufficient to attract and retain the Directors.

The remuneration of the Executive Directors are structured to link rewards to responsibilities, contribution, corporate and individual performance whilst the level of remuneration of Non-Executive Directors reflects their experience and level of responsibilities undertaken.

The details of the remuneration for Directors of the Company during the financial year ended 31 March 2015 are as follows:

Remuneration Categorization	**Executive Directors (RM'000)**	**Non-Executive Directors (RM'000)**
Fees	-	122
Salaries	516	-
Others	822	22
Bonuses	-	-
Benefits-in-kind	-	-
Total	1,338	144

	Number of Directors	
Range of Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM 50,000	-	3
RM 50,001 to RM 200,000	-	-
RM 200,001 to RM 500,000	1	-
Above RM 500,001	1	-

SHAREHOLDERS' RIGHT

The Board recognises the importance of establishing effective line of communication with shareholders. Following are the means of dissemination of information used by the Company currently:

(a) The Annual Report;

(b) The various disclosures and announcements made to Bursa Securities including the Quarterly Results and the Annual Results;

(c) Explanatory circulars on business requiring shareholders' approval; and

(d) The Company's website at www.apft.com.my

As part of the Company's continuous investor relations and communications programme, the Company will hold suitable dialogues and briefs various research and investment analysts on the APFT Group's strategies, performance and major developments.

General meeting empowers shareholder to exercise their rights. It also provides an opportunity for shareholders to have a dialogue with the Directors to share and exchange their views and opinions. Shareholders are encouraged to attend and participate at the AGM in order to know the latest development, performance and the future plan of the Group as well as to raise questions regarding the proposed resolutions and on matters relating to the Group's businesses and affairs.

In accordance with the Listing Requirements and Articles of Association of the Company, the Board will conduct poll voting for resolutions relating to related party transactions or as may be demanded by the shareholders respectively. The Chairman will inform the shareholders of the Company of their rights to demand for a poll vote at the commencement of a general meeting.

FINANCIAL REPORTING

The Board is responsible to ensure the financial statements of the Company presents a fair and balance view and assessment of the Group's financial position, performance and prospects and such financial statements are drawn up in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards. The Board is assisted by the Audit Committee in reviewing the accuracy, adequacy and completeness of disclosure and ensuring the Group's financial statements comply with applicable financial reporting standards.

As part of the Audit Committee review processes, the Audit Committee has obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Annually, the Audit Committee also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM. The

Audit Committee would convene meeting with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary.

RISK MANAGEMENT

The Board acknowledges that risk management is an integral part of governance. The Board has reported the state of risk management and internal control systems and the internal audit function of the Group in the Statement on Risk Management and Internal Control on pages 22 to 23.

CORPORATE DISCLOSURE

Corporate information is important for investors and shareholders. The Board is advised by the management, the Company Secretary and the External and Internal Auditors on the contents and timing of disclosure requirements of the Bursa Securities on the financial results and various announcements.

Besides ensuring timely releases of quarterly financial results, circulars, annual reports, corporate announcement and press releases on Bursa's website, the Board leverages on its corporate website to communicate, disseminate and provide further information and details on the governance reporting. Further, pursuant to Para 9.25 of the Listing Requirements, the Board will gradually transfer the publication of those static and principal governance information such as board committees' terms of reference from annual report to the Company's website in order to reduce dilution of impact of issues discussed in the annual report.

PROMOTING SUSTAINABILITY IN BUSINESS

In order to enhance stakeholders' perception and public trust towards the Group, the Board believes that attention shall be given to Environmental, Social and Governance ("ESG") aspects of business continuously which underpin sustainability and relate these aspects to the interest of the various stakeholders. Corporate Social Responsibility (CSR) report on page 25 provided further details on the activities carried out by the Group during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

(a) The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable MFRS, International Financial Reporting Standards, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements so as to give a true and fair view of the state of affairs of the Group and the Company for the financial year and of the results and cash flows of the Group and of the Company for the financial year, and

(b) Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 March 2015, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statement with reasonable and prudent judgments and estimates. The Directors are also satisfied that the statements are prepared on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future and all relevant approved accounting standards have been followed in the preparation of the financial statements.

OTHER COMPLIANCE INFORMATION

SHARE BUYBACK

During the financial year ended 31 March 2015, there was no share buyback undertaken by the Company.

EXERCISE OF OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any Options, Warrants or Convertible Securities during the financial year ended 31 March 2015.

DEPOSITORY RECEIPT PROGRAM

During the financial year ended 31 March 2015, the Company did not sponsor any Depository Receipt Program.

SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, on the Directors or Management by the relevant regulatory bodies and authorities.

NON-AUDIT FEES

During the financial year ended 31 March 2015, the non-audit fees paid to the external auditors of the Company was RM6,000.00.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not make any release on the profit estimate, forecast or projection for the financial year ended 31 March 2015.

PROFIT GUARANTEE

During the financial year ended 31 March 2015, there was no profit guarantee given by the Company.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There was no material contract entered into by the Company and/or its subsidiary companies which involves Directors' and Major Shareholders' interest during the financial year ended 31 March 2015.

VARIATION OF RESULT

There was no material variation between the audited financial statements for the financial year ended 31 March 2015 and the unaudited results announced.

UTILISATION OF PROCEEDS

There were no rights issue or issuance of bonds carried out during the financial year ended 31 March 2015 to raise any cash proceeds.

AUDIT COMMITTEE REPORT

COMPOSITION

Chairman: Nik Din Bin Nik Sulaiman (Independent Non-Executive Director)

Members: Dato Azmi Bin Abdullah (Independent Non-Executive Director)

Tan Nyap Keong @ Tony Tan (Independent Non-Executive Director)

TERMS OF REFERENCE

AUTHORITY

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice necessary in the discharge of its duties.

COMPOSITION

The Audit Committee shall be appointed by the Board of Directors from amongst the Non-executive Directors and shall consist of not less than three (3) members, with a majority of them being Independent Directors. The members of the Audit Committee shall elect a Chairman from among their members, and who shall be an Independent Director. An alternate Director shall not be appointed as a member of the Audit Committee.

At least one (1) member of the Audit Committee:

(i) Shall be a member of the Malaysian Institute of Accountants; or

(ii) If not a member of the Malaysian Institute of Accountants, the member shall have at least three (3) years' working experience and:

  (a) Shall have passed the examination specified in the Part I of the 1st Schedule of the Accountants Act 1967; or

  (b) Shall be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967;

(iii) Fulfill such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

In the event of any vacancy in the AC resulting in the non-compliance with Para 15.09(1) of the Main Market Listing Requirements, the Company shall fill the vacancy within three (3) months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether the AC and members have carried out their duties in accordance with the Terms of Reference.

RESPONSIBILITIES AND DUTIES

The primary objective of the Audit Committee is to assist the Board in ensuring proper Corporate Governance in fulfilling its fiduciary responsibilities particularly relating to business ethics, policies and practices, financial management, risk management and internal control without neglecting objectivity and independence. The Chairman of the AC should engage on a continuous basis with Senior Management, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties: -

(a) To review the quarterly results to Bursa Securities and year end financial statements of the Group before submission to the Board, focusing particularly on:

   (i) The going concern assumptions;
   (ii) Any changes in accounting policies and practices;
   (iii) Significant issues arising from audit;
   (iv) Compliance with accounting standards, regulatory and other legal requirements; and
   (v) Major judgmental areas.

(b) To consider the nomination and appointment of external auditors, as well as their audit fee.

(c) To consider any letter of resignation from external auditors, and to obtain reason for the resignation or dismissal.

(d) To discuss with external auditors, prior to commencement of audit, their audit plan, which shall state the nature of the audit, and to ensure co-ordination of audit, where more than one audit firm is involved.

(e) To review with external auditors, their evaluation of system of internal controls, their management reports to management and management's response.

(f) To review the assistance given by the employees of the Company to the external auditors.

(g) To review the following with respect to internal audit:

   (i) The adequacy of audit scope, functions, competency and resources of the internal auditors and that it has the necessary authority to carry out its functions;
   (ii) The internal audit plan, programme and activities;
   (iii) The major findings of internal audit investigations and management's responses, and ensure appropriate actions are taken on the recommendations of the internal auditor;
   (iv) Assessment of the performance of the staff of the internal auditor;
   (v) Appointment or termination of senior staff members of the internal audit; and
   (vi) Resignation of internal audit staff members and provide resigning staff members an opportunity to submit his/her reason for resignation.

(h) To monitor any related party transactions and situations where a conflict of interest may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and to ensure that the Directors report such transactions annually to the shareholders via the annual report.

(i) To review the report of the Risk Management Committee in relation to the adequacy and integrity of the Group's internal control system.

(j) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors and/or internal auditors may wish to discuss (in the absence of management, where necessary).

(k) To review all prospective financial information provided to the regulators and/or the public.

(l) To report promptly to Bursa Securities on any matter reported by it to the Board that has not been satisfactorily resolved resulting in the breach of the Listing Requirements of Bursa Securities.

(m) To consider any other matters as may be directed by the Board from time to time.

MEETINGS

The meetings shall be held at least four (4) times a year with the attendance of the Chief Financial Officer, representatives from internal and external auditors. Other Board members and senior Management may attend meetings upon the invitation of the Audit Committee.
At least once a year, the Audit Committee shall meet with external auditors and internal auditors without any executive officer of the Group being present. The auditors, both internal and external, may request a meeting if they consider that one is necessary.

A quorum consists of two (2) members present and a majority of whom must be independent Directors.

The Company Secretary shall serve as Secretary to the Audit Committee and shall circulate notice of meetings and record minutes of meetings and shall be in attendance at all meetings.

In the absence of the Chairman, the Audit Committee shall appoint one of the Non-Executive members present to chair that meeting.

SUMMARY OF ACTIVITIES

During the financial year ended 31 March 2015, the Audit Committee carried out the following activities:

(i) Reviewed the quarterly results and audited financial statements of the Company and the Group;

(ii) Reviewed the internal audit plan and reports tabled by Internal Auditors;

(iii) Reviewed the Risk Management Framework on the risk areas and controls in place;

(iv) Reviewed and approved the External Auditors' Audit Planning Memorandum;

(v) Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report prior to the Board's approval for inclusion into the Annual Report;

(vi) Reviewed and considered the proposed audit fee payable to External Auditors;

(vii) Considered and made recommendation to the Board the re-appointment of External Auditors;

(viii) Reviewed any related party transaction that may arise within the Group of Company; and

(ix) Met with the External Auditors without the presence of the Management.

MEETINGS AND ATTENDANCE

A total of 5 Audit Committee Meetings were held during the financial year. The details of the attendance of each Audit Committee member are as follows:

Audit Committee Members	Number of Meetings Attended
Nik Din Bin Nik Sulaiman	5
Dato Azmi Bin Abdullah	5
Tan Nyap Keong @ Tony Tan	5

INTERNAL AUDIT FUNCTION

The Internal Audit function is established with the primary objective of providing assistance to the Audit Committee in discharging its oversight duties and responsibilities. The Group has outsourced its Internal Audit function to a professional firm, which reports directly to the Audit Committee.

The scope of Internal Audit Function covers the operations and subsidiary companies in the Group and focus on key risk areas at the Company and the Group levels. The Internal Auditors report their findings to the Audit Committee based on the compliance with internal control policies and procedures.

During the financial year, the Internal Auditors conducted internal control reviews on certain key operating functions and procedures and recommended action for management improvement. The audit reports containing audit findings and recommendations together with management's responses thereto were circulated to all members of the Audit Committee. Areas of improvement identified were communicated to the management for further action. Follow-up reviews are performed to ascertain the extent of management's implementation of the recommended corrective action for improvements.

The cost incurred for the internal audit function in respect of the financial year ended 31 March 2015 was RM40,000 (2014: RM50,000).

This Audit Committee Report was approved by the Board of Directors on 20 August 2015.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board is pleased to present its Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of the Main Market Listing Requirements. In producing this Statement, the Board has considered and was guided by the latest "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guidelines") issued by the Task Force on Internal Control with the support and endorsement of Bursa Securities.

BOARD RESPONSIBILITY

The Board acknowledges that risk management and systems of internal control are integral parts of corporate governance. Principally, the responsibilities of the Board as provided in the Guidelines, for risk governance and controls are:

(i) Embed risk management in all aspects of the company's activities;

(ii) Define and approve the board's acceptable risk appetite; and

(iii) Review risk management framework, processes, responsibilities and assessing whether the present systems provide reasonable assurance that risk is managed within tolerable ranges.

The Board understands the principal risks of the business that the Group is engaged. The Board has defined and approved the Group Risk Policy. The objective of this Group Risk Policy is to outline the principles of risk management, the Board's and management's risk management responsibilities and the risk management framework for the Group.

RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL

The Group's risk management and execution is primarily driven by all Executive Directors and key management. The Executive Directors and key management identify, evaluate, manage and report significant risks facing by the Group in its business and operations to the Board. Management meetings, involving the members of the key management were held to deliberate the progress of business operations and financial issues and to serve as a mean of communication and feedback channel for departmental heads.

A risk awareness and assessment workshop was conducted during the financial year. The focus of this risk assessment was on the sustainability issues and challenge faced by the core business of the Group.

Other aspects of key control in the Group are:

(i) Management organization chart outlining the management responsibilities and hierarchical structure of reporting lines and accountability;

(ii) Approval and authority limits of the top executives and heads of department;

(iii) Documented internal policies, guidelines, procedures and manuals, which are updated from time to time;

(iv) The Audit Committee's reviews and consultation with the management on the unaudited quarterly financial results to monitor the Group's progress towards achieving the Group's objectives;

(v) Board discussions with management during the board meetings on business and operational issues as well as the measures taken by management to mitigate and manage risks associated with the business and operation issues;

(vi) Insurance policies to protect the assets and/or interests of the Group;

(vii) Provision of training and development to enhance the competitiveness, knowledge and competency of our staff members; and

(viii) The present of internal audit function to assist the Audit Committee and the Board in conducting independent assessment on the internal control systems.

INTERNAL AUDIT FUNCTION

The Board outsourced its internal audit function to a professional firm of consultants. The Internal Auditors adopt risk-based approach in carrying out their work and in accordance with the audit plan approved by the Audit Committee.

Periodic internal audit reviews are carried out and the audit findings and reports are presented to the Audit Committee. Areas of improvement identified were communicated to the management for further action. Follow-up reviews are performed to ascertain the extent of management's implementation of the recommended corrective action for improvements.

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

In accordance to the Guidelines, management is accountable to the Board for identifying risks relevant to the business of the Group's objectives and strategies, implementing and maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could affect the Group achievement of its objective and performance.

Before producing this Statement, the Board has received assurance from the Chief Executive Officer and Chief Financial Officer that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material respects.

BOARD ASSURANCE AND LIMITATION

For the financial year under review, the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses that would require separate disclosure in the Annual Report. The Board recognises that the systems of risk management and internal control should be continuously improved in line with the evolving business development. Nonetheless, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the systems of risk management and internal control of the Group.

This Statement is approved by the Board of Directors on 20 August 2015.

WORKPLACE DIVERSITY POLICY

OBJECTIVE

The purpose of this policy is to promote an inclusive workplace that embraces and promotes diversity in APFT.

OUR COMMITMENT

Diversity includes cultural, ethnic, family backgrounds, gender and age present among our people and it is seen as driving forces influencing the present workplace and marketplace.

At APFT, the Board recognises that our business is dependent on the quality and skill of the employees. On this note, the Board is committed to:

(i) attract and retain people with diverse skills, experience and background in order to deliver quality products and services to our customers and help us to generate returns to our shareholders;

(ii) promote an inclusive and fair work environment and free of discrimination which will create a positive effects on the wellbeing of our employees and increase job satisfaction, productivity and employee retention; and

(iii) practise effective diverse and inclusive workforce management to enhance the quality and depth of decision making that addresses the needs and expectations of increasingly diverse and multicultural client base in the society.

RESPONSIBILITIES

The Board is responsible for monitoring the achievement and progress of the objectives of this Policy. Management shall assist the Board in ensuring the achievement of the objectives of this policy by:

- Embedding diversity in the recruitment process;
- Setting good example in promoting diversity through its actions and decision making in the workplace;
- Providing equal employment opportunity to employees; and
- Reviewing employee diversity profile and identify opportunity for improvement.

REPORTING VIOLATIONS

All staff members shall respect the Diversity Policy. The Board views any violation of the spirit of this policy critically and will investigate on any violation reported.

MONITORING AND EVALUATION

The Board shall monitor and evaluate the progress in achieving the objective of this policy annually.

CORPORATE SOCIAL RESPONSIBILITY

APFT is continuing its Corporate Social Responsibility (CSR) programs.

These programs come in the form of projects responding to immediate and urgent needs of society or long term projects aiming to uplift and improve the conditions in society.

APFT has been involved in both forms of CSR activities this past year. It was the unfortunate event of the big floods in the east coast states of Peninsular Malaysia, involving Kelantan, Terengganu and Pahang that gave an opportunity to the staff of APFT to show their caring side and their organisational capabilities. Immediately on seeing the situation, their first reaction was to ensure the safety and wellbeing of the students still housed in our hostels and residence. Fortunately the numbers were small as the larger group of students was on term break.

The team that was formed worked throughout the period of the emergency, liaising with head quarters in Kuala Lumpur on supplies needed and distributing the necessities to those affected. The team continue their support to the victims even after the flood was over. They helped to clear the homes, schools and mosques in the area of mud and debris. Our concentration was to assist the people affected around Pengkalan Chepa area.

For the long-term project, APFT has adopted a school, selecting Sekolah Kebangsaan Sabak as the adoptive school. The selection was made with the help of the Ministry of Education, under which the school receives the additional food program. Out of the 493 students, majority is from families of fishermen and farmers, having a family income of less then RM700. APFT organises motivational programmes and talks on career in Aviation.

This year students were taken on joyrides and briefings on Aviation industry.

Our NST English program is continuing and this year APFT selected 5 schools for the NST English Development Programme. With the provision of 20 newspapers daily to each school for a period of one year we hope it will contribute towards the improvement of the students English.

FINANCIAL STATEMENTS 2015

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiary companies during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial period	(21,965,775)	(2,369,947)
Attributable to:		
Owners of the Company	(22,051,342)	(2,369,947)
Non-controlling interests	85,567	-
	(21,965,775)	(2,369,947)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except for those disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period.

The Directors do not recommend any dividend for the current financial year.

DIRECTORS

The Directors in office since the date of the last report are:-
Dato' Faruk Bin Othman
Dato Azmi Bin Abdullah
Arif Bin Faruk
Nik Din Bin Nik Sulaiman
Tan Nyap Keong @ Tony Tan

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests and deemed interests in the shares of the Company and of its related companies of those who were Directors at financial year end are as follows:

	Number of ordinary shares of RM0.20 each			
Interest in the Company	At 1.4.2014	Bought	Sold	At 31.3.2015
Direct interest				
Dato' Faruk Bin Othman	50,132,398	27,900,000	(17,700,000)	60,332,398
Arif Bin Faruk	15,700,000	-	(11,400,000)	4,300,000
Deemed interest				
Dato' Faruk Bin Othman #	71,946,754	-	(29,900,000)	42,046,754
Arif Bin Faruk #	106,379,152	27,900,000	(36,200,000)	98,079,152

Deemed interest by virtue of the shares held by close family members

By virtue of Dato' Faruk Bin Othman and Arif Bin Faruk's direct and deemed interest in the shares of the Company, they are also deemed to have interest in the shares of all the subsidiary companies to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

Other than those disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive any benefits (other than those disclosed in Notes 28, 31 and 32 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 6,473,000 new ordinary shares of RM0.20 each at RM0.227 through a private placement for a total cash consideration of RM1,469,371 for working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

WARRANTS

There were no warrants issued during the financial year.

The salient terms of the warrants are disclosed in Note 17 to the Financial Statements.

The warrants were constituted under the Deed Poll dated 28 June 2013. No warrants were exercised during the financial year and the total number of warrants that remain unexercised were 78,500,000 as at the reporting date.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
(c) 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; or
(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

(a) 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 liability of any other person; or
(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

(a) no contingent liability 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, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
(b) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial year and subsequent to the reporting date are disclosed in Note 39 to the Financial Statements.

AUDITORS

The Auditors, Messrs SJ Grant Thornton, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

....	)	
DATO' FARUK BIN OTHMAN	)	
	)	
	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
....	)	
ARIF BIN FARUK		

Kuala Lumpur
28 July 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 35 to 99 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the supplementary information set out on page 100 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

....	....
DATO' FARUK BIN OTHMAN	**ARIF BIN FARUK**

Kuala Lumpur
28 July 2015

STATUTORY DECLARATION

I, Goh Swee Huat, being the officer primarily responsible for the financial management of APFT Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 35 to 99 and the supplementary information set out on page 100 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by	)
the abovenamed at Kuala Lumpur in	)
the Federal Territory this day of	)
28 July 2015	) ....
	GOH SWEE HUAT

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of APFT Berhad, which comprise statements of financial position as at 31 March 2015 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 42 to 99.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of the subsidiary company of which we have not acted as auditors, which are indicated in Note 5 to the Financial Statements.

c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The auditors' reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment under Section 174 (3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 100 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

DATO' N. K. JASANI
(NO: 708/03/16 (J/PH))
CHARTERED ACCOUNTANT
PARTNER

Kuala Lumpur
28 July 2015

APFT BERHAD
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	41,324,032	46,547,612	-	-
Investment in subsidiary companies	5	-	-	56,524,439	57,708,936
Investment in an associate company	6	1,622,725	1,634,640	-	-
Deferred costs	7	359,160	505,878	-	-
Available-for-sale financial assets	8	-	7,088,586	-	4,134,000
Fixed deposits with licensed banks	9	678,569	507,213	-	-
Goodwill on consolidation	10	21,305,779	28,631,027	-	-
Total non-current assets		65,290,265	84,914,956	56,524,439	61,842,936
Current assets					
Inventories	11	1,478,704	1,979,534	-	-
Amount due from contract customers	12	10,753,300	4,201,690	-	-
Trade receivables	13	14,685,618	14,516,710	-	-
Other receivables	14	3,255,682	1,910,370	203	5,764
Deferred costs	7	146,718	153,764	-	-
Amount due from non-controlling interests	15	-	2,457,451	-	-
Amount due from subsidiary companies	5	-	-	20,786,520	20,590,824
Tax recoverable		729,291	84,668	-	-
Cash and bank balances		1,987,811	3,284,744	300,765	7,468
Total current assets		33,037,124	28,588,931	21,087,488	20,604,056
Total assets		98,327,389	113,503,887	77,611,927	82,446,992

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	63,040,552	61,745,952	63,040,552	61,745,952
Reserves	17	15,468,057	15,614,514	15,477,648	15,614,514
Merger deficit	18	(20,999,998)	(20,999,998)	-	-
Accumulated losses		(27,931,590)	(5,880,248)	(7,359,112)	(4,989,165)
		29,577,021	50,480,220	71,159,088	72,371,301
Non-controlling interests	5	3,451,802	3,186,072	-	-
Total equity		33,028,823	53,666,292	71,159,088	72,371,301
Non-current liabilities					
Deferred tax liabilities	19	133,555	133,555	-	-
Employee benefits	20	34,072	-	-	-
Borrowings	21	5,436,659	7,426,519	-	-
Hire purchase creditors	22	1,182,408	1,877,860	-	-
Total non-current liabilities		6,786,694	9,437,934	-	-
Current liabilities					
Amount due to contract customers	12	-	764,110	-	-
Trade payables	23	16,135,636	9,158,583	-	-
Other payables	24	9,616,172	15,713,939	1,014,801	4,637,643
Amount due to non-controlling interests	15	3,334,539	89,991	-	-
Amount due to an associate company	6	1,145,840	1,190,390	-	-
Amount due to a Director	25	20,247,497	15,507,065	5,438,038	5,438,048
Deferred income	26	2,496,345	864,174	-	-
Borrowings	21	4,250,399	6,060,754	-	-
Hire purchase creditors	22	1,285,444	715,688	-	-
Tax payable		-	334,967	-	-
Total current liabilities		58,511,872	50,399,661	6,452,839	10,075,691
Total liabilities		65,298,566	59,837,595	6,452,839	10,075,691
Total equity and liabilities		98,327,389	113,503,887	77,611,927	82,446,992

APFT BERHAD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

		Group		Company	
	Note	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Revenue	27	84,531,323	33,675,572	1,251,728	1,759,890
Cost of services		(81,862,463)	(36,010,088)	-	-
Gross profit/(loss)		2,668,860	(2,334,516)	1,251,728	1,759,890
Other income		1,649,063	883,566	300,353	13,175
Marketing expenses		(502,555)	(577,033)	-	-
Administration expenses		(10,248,413)	(10,282,598)	(2,383,199)	(3,413,681)
Other expenses		(13,043,432)	(3,447,018)	(1,538,829)	(492,359)
Finance costs		(2,221,805)	(2,857,191)	-	-
Share of loss of associate company		(11,915)	-	-	-
Loss before tax	28	(21,710,197)	(18,614,790)	(2,369,947)	(2,132,975)
Tax expenses	29	(255,578)	(874,394)	-	-
Net loss for the financial year/period		(21,965,775)	(19,489,184)	(2,369,947)	(2,132,975)
Other comprehensive loss:					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation		(15,983)	-	-	-
Total comprehensive loss for the financial year/period		(21,981,758)	(19,489,184)	(2,369,947)	(2,132,975)
(Loss)/Profit for the financial year/period attributable to:					
Owners of the Company		(22,051,342)	(20,764,098)		
Non-controlling interests		85,567	1,274,914		
Net loss for the financial year/period		(21,965,775)	(19,489,184)		
Total comprehensive (loss)/income for the financial year/period attributable to:					
Owners of the Company		(22,060,933)	(20,764,098)		
Non-controlling interests		79,175	1,274,914		
Total comprehensive loss for the financial year/period		(21,981,758)	(19,489,184)		
Loss per share					
Basic loss per share (sen)	30	7.01	10.89		
Diluted loss per share (sen)		*	*		

* anti-dilutive in nature

The accompanying notes form an integral part of the financial statements.

APFT BERHAD
STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Attributable to owners of the Company									
	Non-distributable						Distributable			
Group	Share capital RM	Share premium RM	Warrants reserve RM	Discount on shares RM	Merger deficit RM	Translation reserve RM	Unappropriated profits/ (Accumulated) losses RM	Total RM	Non-controlling interests RM	Total RM
Balance at 1 January 2013	31,400,000	6,122,561	-	-	(20,999,998)	-	14,883,850	31,406,413	-	31,406,413
Arising from acquisition of a subsidiary company	-	-	-	-	-	-	-	-	1,911,158	1,911,158
(Loss)/Profit/Total comprehensive (loss)/income for the financial period	-	-	-	-	-	-	(20,764,098)	(20,764,098)	1,274,914	(19,489,184)
Transactions with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	30,345,952	9,491,953	-	-	-	-	-	39,837,905	-	39,837,905
- Issuance of warrants	-	-	19,232,500	(19,232,500)	-	-	-	-	-	-
	30,345,952	9,491,953	19,232,500	(19,232,500)	-	-	-	39,837,905	-	39,837,905
Balance at 31 March 2014	61,745,952	15,614,514	19,232,500	(19,232,500)	(20,999,998)	-	(5,880,248)	50,480,220	3,186,072	53,666,292
Arising from acquisition of a subsidiary company	-	-	-	-	-	-	-	-	186,555	186,555
(Loss)/Profit for the financial year	-	-	-	-	-	-	(22,051,342)	(22,051,342)	85,567	(21,965,775)
Other comprehensive loss for the financial year	-	-	-	-	-	(9,591)	-	(9,591)	(6,392)	(15,983)
Total comprehensive (loss)/income for the financial year	-	-	-	-	-	(9,591)	(22,051,342)	(22,060,933)	79,175	(21,981,758)
Transaction with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	1,294,600	(136,866)	-	-	-	-	-	1,157,734	-	1,157,734
Balance at 31 March 2015	63,040,552	15,477,648	19,232,500	(19,232,500)	(20,999,998)	(9,591)	(27,931,590)	29,577,021	3,451,802	33,028,823
Company										
Balance at 1 January 2013	31,400,000	6,122,561	-	-	-	-	(2,856,190)	34,666,371	-	34,666,371
Loss/Total comprehensive loss for the financial period	-	-	-	-	-	-	(2,132,975)	(2,132,975)	-	(2,132,975)
Transactions with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	30,345,952	9,491,953	-	-	-	-	-	39,837,905	-	39,837,905
- Issuance of warrants	-	-	19,232,500	(19,232,500)	-	-	-	-	-	-
	30,345,952	9,491,953	19,232,500	(19,232,500)	-	-	-	39,837,905	-	39,837,905
Balance at 31 March 2014	61,745,952	15,614,514	19,232,500	(19,232,500)	-	-	(4,989,165)	72,371,301	-	72,371,301
Loss/Total comprehensive loss for the financial year	-	-	-	-	-	-	(2,369,947)	(2,369,947)	-	(2,369,947)
Transaction with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	1,294,600	(136,866)	-	-	-	-	-	1,157,734	-	1,157,734
Balance at 31 March 2015	63,040,552	15,477,648	19,232,500	(19,232,500)	-	-	(7,359,112)	71,159,088	-	71,159,088

The accompanying notes form an integral part of the financial statements.

APFT BERHAD
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Group		Company	
		1.4.2014 to 31.3.2015	1.1.2013 to 31.3.2014	1.4.2014 to 31.3.2015	1.1.2013 to 31.3.2014
		RM	RM	RM	RM
OPERATING ACTIVITIES					
Loss before tax		(21,710,197)	(18,614,790)	(2,369,947)	(2,132,975)
Adjustments for :-					
Amortisation of deferred costs		153,764	73,946	-	-
Bad debts written off		138,618	136,650	-	-
Deferred costs written off		-	444,480	-	-
Depreciation		5,443,214	5,500,000	-	-
(Gain)/loss on disposal of property, plant and equipment		(233,072)	258,315	-	-
Impairment loss on trade receivables		1,512,368	1,575,135	-	-
Impairment loss on amount due from subsidiary companies		-	-	354,332	-
Impairment loss on investment in subsidiary companies		-	-	1,184,497	492,359
Impairment loss on goodwill		10,000,000	-	-	-
Interest income		(17,529)	(5,277)	(353)	(1,175)
Interest expenses		2,221,805	2,857,191	-	-
Property, plant and equipment written off		350,137	-	-	-
Share of loss of associate company		11,915	-	-	-
Unrealised loss/(gain) on foreign exchange		20,213	(32,964)	-	-
Waiver of debts		-	(1,103)	-	-
Operating loss before working capital changes		(2,108,764)	(7,808,417)	(831,471)	(1,641,791)
Changes in working capital :-					
Inventories		652,653	(275,091)	-	-
Contract customers		(7,315,720)	(1,379,821)	-	-
Receivables		(2,321,842)	(2,537,375)	5,561	(1,906)
Payables		3,236,460	18,569,113	511,158	413,058
Non-controlling interests		5,701,999	907,443	-	-
Deferred income		1,632,171	(877,909)	-	-

	Note	Group 1.4.2014 to 31.3.2015 RM	Group 1.1.2013 to 31.3.2014 RM	Company 1.4.2014 to 31.3.2015 RM	Company 1.1.2013 to 31.3.2014 RM
Cash (used in)/generated from operations		(523,043)	6,597,943	(314,752)	(1,230,639)
Tax paid		(1,235,168)	(448,216)	-	-
Interest paid		(1,180,794)	(1,952,877)	-	-
Interest received		17,529	5,277	353	1,175
Net cash (used in)/from operating activities		(2,921,476)	4,202,127	(314,399)	(1,229,464)
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	A	(1,885,567)	(6,899,119)	-	-
Acquisition of a subsidiary company, net of cash acquired/(paid)	5	641,287	(9,272,733)	-	(10,000,000)
Acquisition of an associate company, net of cash paid	6	-	(1,634,640)	-	-
Acquisition of other investment		-	(1,256,096)	-	-
Placement of fixed deposits		(171,356)	-	-	-
Proceeds from disposal of property, plant and equipment		3,233,820	459,564	-	-
Net cash from/(used in) investing activities		1,818,184	(18,603,024)	-	(10,000,000)
FINANCING ACTIVITIES					
Advances from/(Repayment to) a Director		3,699,421	13,987,399	(10)	5,132,048
Repayment of borrowings		(1,866,149)	(3,934,944)	-	-
Drawndown of borrowings		-	892,117	-	-
Repayment of hire purchase creditors		(1,251,696)	(683,039)	-	-
Net (repayment to)/advances from subsidiary companies		-	-	(550,028)	1,862,980
Net (repayment)/advances from an associate company		(44,550)	1,190,390	-	-
Proceeds from issuance of shares, net of share issuance expenses		1,157,734	4,237,905	1,157,734	4,237,905
Net cash from financing activities		1,694,760	15,689,828	607,696	11,232,933
CASH AND CASH EQUIVALENTS					
Net increase		591,468	1,288,931	293,297	3,469
Effect of exchange translation differences on cash and cash equivalents		45,665	-	-	-
At beginning of financial year/period		(663,462)	(1,952,393)	7,468	3,999
At end of financial year/period	B	(26,329)	(663,462)	300,765	7,468

NOTES TO THE STATEMENTS OF CASH FLOWS:-

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment with aggregate costs of RM3,011,567 (2014: RM7,332,615) of which RM1,126,000 (2014: RM433,496) were acquired by means of hire purchase arrangements. Cash payments of RM1,885,567 (2014: RM6,899,119) were made to purchase such property, plant and equipment.

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:-

	Group		Company	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM	RM	RM	RM
Cash and bank balances	1,987,811	3,284,744	300,765	7,468
Bank overdrafts (Note 21)	(2,014,140)	(3,948,206)	-	-
	(26,329)	(663,462)	300,765	7,468

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2015

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office is located at 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur. The principal place of business is located at Suite 50-5-5, 5th Floor, Wisma UOA Damansara, 50, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiary companies during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 28 July 2015.

2. BASIS OF PREPARATION

2.1 Going concern

As at 31 March 2015, the Group had incurred a net loss which is attributable to the owners of the Company of RM22,051,342 and its total current liabilities exceeded its total current assets by RM25,474,748.

The financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which depends on the continuing financial support from a Director and/or attaining future profitable operations. The Director has agreed to provide continuing financial support for the Group to meet its liabilities as and when they fall due.

In view of the foregoing, the Board considers that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

2.2 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

2.3 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

2.4 **Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values are rounded to the nearest RM, except when otherwise stated.

2.5 **Adoption of new and revised MFRSs, amendments/improvements to MFRSs, and IC Interpretations ("IC Int")**

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted MFRSs and amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2014.

Initial application of the standards and amendments to the standards did not have material impact to the financial statements, except for additional disclosures in the financial statements. The nature and the impact of these new standards and amendments are discussed below:-

<u>Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities</u>

The amendments to MFRS 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

<u>Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets</u>

The amendments to MFRS 136 clarify that an entity is required to disclose the recoverable amount of an asset or cash generating unit whenever an impairment loss has been recognised or reversed in the period.

In addition, the amendments introduced several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including:

- Additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made;
- The discount rates used if fair value less costs of disposal is measured using a present value technique.

These additional disclosures are in line with the disclosure required by MFRS 13 Fair Value Measurements.

Initial application of the amendments to the standards did not have material impact to the financial statements.

2.6 **Standards issued but not yet effective**

The Group and the Company have not applied the followings MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:-

<u>*Amendments to MFRSs effective 1 July 2014:*</u>

MFRS 119* Defined Benefit Plans: Employee Contributions
Annual improvements to MFRSs, 2010-2012 cycle
Annual improvements to MFRSs, 2011-2013 cycle

MFRS effective 1 January 2016:

MFRS 14*#	Regulatory Deferral Accounts

Amendments to MFRSs effective 1 January 2016:

MFRS 10*	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and Joint Ventures and its Associate or Joint Venture
MFRS 10*	Consolidated Financial Statements: Investment Entities- Applying the Consolidation Exception
MFRS 11*#	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
MFRS 12*#	Disclosure of Interests in Other Entities: Investment Entities Applying the Consolidation Exception
MFRS 101	Presentation of Financial Statements: Disclosure Initiative
MFRS 116*#	Property, Plant and Equipment: Agriculture - Bearer Plant
MFRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation
MFRS 127	Consolidated and Separate Financial Statements: Equity Method in Separate Financial Statements
MFRS 128*	Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
MFRS 128*	Investments in Associates and Joint Ventures: Investment Entities – Applying the Consolidation Exception
MFRS 138*	Intangible Assets: Clarification of Acceptable Methods of Amortisation
MFRS 141*	Agriculture: Agriculture – Bearer Plants

Annual Improvements 2012-2014 Cycle issued in November 2014*#

MFRS effective 1 January 2017:

MFRS 15	Revenue from Contracts with Customers

MFRS and Amendments to MFRS effective 1 January 2018 :

MFRS 9	Financial Instruments (International Financial Reporting Standards ("IFRS") 9 issued by International Accounting Standards Board ('IASB") in July 2014)

Amendments to MFRS 7 Financial Instruments – Disclosure: Mandatory effective date of MFRS 9 and transitional disclosures.

Not applicable to the Group's operations
* Not applicable to the Company's operations

The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:

MFRS 9 Financial Instruments

MFRS 9 reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. The Group and the Company are currently examining the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Int 13 Customer Loyalty Programmes, IC Int

15 Agreements for Construction of Real Estate, IC Int 18 Transfers of Assets from Customers and IC Int 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standards on the required effective date.

2.7 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.7.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 2 to 50 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 March 2015, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 4 to the Financial Statements. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

A 1% difference in the expected useful lives of the property, plant and equipment from the management's estimates would result in approximately 3% (2014: 4%) variance in the Group's loss for the financial year/period.

Impairment of goodwill

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results as disclosed in Note 10 to the Financial Statements. These assumptions relate to future events and circumstances.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the asset or cash-generating unit exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and to asset-specific risk factors.

Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

The carrying amounts of the Group's and of the Company's loans and receivables at the reporting date are summarised in Notes 5, 13, 14 and 15 to the Financial Statements.

Construction contracts

The carrying amount of construction contracts of RM10,753,300 (2014: RM3,437,580) and revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group's management assesses the profitability of on-going construction contracts at least monthly, using extensive project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

The carrying amount of the Group's construction contracts at the end of the reporting period is disclosed in Note 12 to the Financial Statements.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unused tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.7.2 **Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

Leases

In applying the classification of leases in MFRS 117, management considers the lease transaction is not always conclusive, and management uses judgement in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership, whether the lease term is for the major part of the economic life of the asset even if title is not transferred and others in accordance with MFRS 117 Leases.

Deferred costs

Management monitors progress of the sponsored students by using monthly progress report. Deferred costs with regards to training expenses incurred for sponsored students are recognised as assets when all the criteria are met, otherwise the costs are expensed as incurred.

The Group's management also monitors whether the recognition requirements for deferred costs continue to be met.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiary companies

Subsidiary companies are entities, including structured entities, controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary companies is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is classified as held for sale or distribution.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiary companies have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the equity ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

3.1.3 **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 **Non-controlling interests**

Non-controlling interests at the end of the reporting date, being the equity in a subsidiary company not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year/period between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if that results in a deficit balance.

3.1.5 **Loss of control**

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary company, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.2 **Associate company**

Associate company is an entity in which the Group has significant influence, but no control over their financial and operating policies. Investment in associate company is stated at cost less impairment losses, if any.

Upon loss of significant influence over the associate company, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate company upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group's investment in its associate company is accounted for using the equity method. Under the equity method, investment in an associate company is carried in the statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate company since the acquisition date. Goodwill relating to the associate company is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate company is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate company, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate company are eliminated to the extent of the interest in the associate company.

The aggregate of the Group's share of profit or loss of an associate company is shown on the face of the statements of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiary companies of the associate company.

When the Group's share of losses exceeds its interest in an associate company, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate company.

The financial statements of the associates company are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associates company in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the investment in its associate company. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associate company is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate company and their carrying value, then recognises the amount in the "share of profit of investment accounted for using the equity method" in profit or loss.

3.3 **Foreign currency translation**

3.3.1 **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

3.3.2 **Foreign operations**

Assets and liabilities of foreign subsidiary companies, including goodwill and fair value adjustments arising in an acquisition, are translated at year-end exchange rates. The income and expenses of foreign subsidiary companies are translated to Ringgit Malaysia at average rates during the financial year.

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign subsidiary company is disposed of in its entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposed part of its interest but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes only part of an associate company or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign subsidiary company is neither planned nor likely to occur in the foreseeable future, the foreign currency differences arising from such item will form part of the net investment in the foreign subsidiary company. Differences of such nature are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

3.4 **Property, plant and equipment**

All property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life.

Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold buildings	2%
Leasehold buildings	10%
Leasehold improvement on building	50%
Plant and machinery, moveable cabins and tool implements	6% - 33%
Computers	16% - 33%
Computer software	10%
Electrical installation and renovation	10%
Air-conditioner, signboard, furniture and fittings	10%
Motor vehicles and crane	20%
Flying equipment and office equipment	10% - 20%
Simulators	10%
Refueller and skidtank	10%
Aircrafts	4%
Aircrafts engine	50%

The residual values, useful lives and depreciation method are reviewed at least annually to ensure that the amount, method and rate of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3.5 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3.5.1 **Finance lease**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5.2 **Operating lease**

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting year in which they incurred.

3.6 **Deferred costs**

Deferred costs relates to training expenses incurred for sponsored students over 18 months under the course duration. Such costs are amortised on a straight line method over 5 years after the completion of sponsored students' course as the sponsored students are bound for 5 years. In the case of breach of contract, all the related costs will be charged to profit or loss.

3.7 **Financial instruments**

3.7.1 **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group or the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair values plus transactions costs, except for financial assets and financial liabilities carried at fair values through profit or loss, which are measured initially at fair values. Financial assets and financial liabilities are measured subsequently as described below.

3.7.2 **Financial assets - categorisation and subsequent measurement**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
(a) financial assets at fair value through profit or loss;
(b) held-to-maturity investments;
(c) loans and receivables; and
(d) available-for-sale financial assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset are also transferred. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

At the reporting date, the Group and the Company have not designated any financial assets at fair value through profit or loss and held-to-maturity investments. The Group and the Company carry only loans and receivables and available-for-sale financial assets on their statements of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less allowance for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group and the Company's cash and cash equivalents, fixed deposits with licensed banks, trade and most of the other receivables, amount due from subsdiary companies, amount due from contract customers and amount due from non-controlling interest fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting date which are classified as non-current.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's and the Company's available-for-sale financial assets include investments in equity instrument.

Available-for-sale financial assets are measured at fair value subsequent to the initial recognition. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed off or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the end of the reporting date.

3.7.3 **Financial liabilities - categorisation and subsequent measurement**

After the initial recognition, financial liabilities are classified as:
(a) financial liabilities at fair value through profit or loss;
(b) other liabilities measured at amortised cost using the effective interest method; and
(c) financial guarantee contracts.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

At the reporting date, the Group and the Company carry only other liabilities measured at amortised cost on their statements of financial position.

Other liabilities measured at amortised cost

The Group and the Company's other financial liabilities include amount due to an associate company, amount due to a Director, amount due to non-controlling interests, borrowings, amount due to contract customers, hire purchase creditors, trade and other payables.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting date.

3.7.4 **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.8 **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all expenses incurred in bringing the inventories to their present location and condition which consist of cost of purchase and transportation cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3.9 **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank balances, short term demand deposits, bank overdrafts and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown in current liabilities in the statements of financial position.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current asset.

3.10 **Impairment of assets**

3.10.1 **Non-financial assets**

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiary companies or other available fair value indicators.

The Group and the Company base its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

3.10.2 **Financial assets**

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Goodwill is tested for impairment annually at each reporting date or more frequently, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable date indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

<u>Financial assets carried at amortised cost</u>

For financial assets carried at amortised cost, the Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group and the Company determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continue to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Allowances are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the profit or loss.

Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent year.

3.11 **Construction contracts**

When the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by using the percentage of completion method based on survey of work performed. Variations in contract works and claims are included to the extent that they have been agreed with the customers.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable of recovery. Contract costs are recognised as expenses 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 as an allowance for foreseeable loss.

Amount due from contract customers represent the excess of contract costs incurred to date and attributable profit over progress billings raised while amount due to contract customers represent the excess of progress billings raised over contract costs incurred to-date and attributable profit.

3.12 **Equity**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Warrant reserve is valued based on the closing price of the first trading day of the warrant. The issuance of the ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Discount on shares is a reserve account that is created to preserve the par value of the ordinary shares.

Accumulated losses/unappropriated profits include all current year and prior periods' accumulated losses/unappropriated profits.

All transactions with owners of the Company are recorded separately within equity.

3.13 **Provisions**

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group or the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

3.14 **Borrowing costs**

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed in the year in which they are incurred.

3.15 **Deferred income**

Deferred income represents course fee billed in advance whereas the services have not been rendered as at reporting date.

3.16 **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

3.16.1 **Management fee**

Management fees are recognised when services are rendered.

3.16.2 **Course fee**

Revenue from course fee is recognised over the period of the course in profit or loss.

3.16.3 **Rendering of services**

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably.

3.16.4 **Rental income**

Rental income is accounted for on a straight-line basis over the lease terms.

3.16.5 **Interest income**

Interest income is recognised as it accrues using the effective interest method in profit or loss.

3.16.6 **Construction revenue**

Revenue comprises billing on mechanical engineering works and services contracts, supply of manpower and construction equipment contracts recognised based on the percentage of completion method.

3.17 **Employee benefits**

3.17.1 **Short-term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group and the Company. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occured.

3.17.2 **Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

3.17.3 **Defined benefits plans**

The Group operated a defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at the end of each year. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses are recognised immediately in profit or loss.

3.18 **Tax expenses**

Tax expenses comprise current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

3.18.1 **Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax expense is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.18.2 **Deferred tax**

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.19 **Segmental results**

3.19.1 **Operating segment**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.19.2 **Intersegment transfer**

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity in negotiated term. These transfers are eliminated on consolidation.

3.20 **Contingencies**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.21 **Related party**

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Company if any of the following conditions applies:
- (i) the entity and the Group are members of the same group; or
- (ii) one entity is an associate or joint venture of the other entity; or
- (iii) both entities are joint ventures of the same third party; or
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group; or
- (vi) the entity is controlled or jointly-controlled by a person identified in (a) above; or
- (vii) a person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the Group.

4.0 PROPERTY, PLANT AND EQUIPMENT

	Freehold buildings RM	Leasehold buildings RM	Leasehold improvement on building RM	Plant and machinery, moveable cabins and tools implements RM	Computers and computer softwares RM	Electrical installation renovation RM	Air-conditioner, signboard, and furniture & fittings RM	Motor vehicles and crane RM	Flying equipment and office equipment RM	Simulators RM	Refueller and skidtank RM	Aircrafts RM	Aircrafts engine RM	Total RM
Group														
Cost														
As at 1.1.2013	1,815,000	10,115,968	-	-	1,262,683	1,216,344	714,799	1,459,329	513,963	3,828,501	347,841	34,503,281	3,351,714	59,129,423
Additions from acquisition of a subsidiary company	-	-	-	733,773	254,917	-	-	538,048	36,179	-	-	-	-	1,562,917
Additions	-	-	-	563,479	72,193	50,904	19,831	129,243	548,934	-	-	4,540,003	1,408,028	7,332,615
Disposals	-	-	-	-	(6,732)	(18,550)	-	-	(899)	-	-	(900,000)	-	(926,181)
Written off	-	-	-	-	(8,787)	-	-	-	-	-	-	-	-	(8,787)
As at 31.3.2014	1,815,000	10,115,968	-	1,297,252	1,574,274	1,248,698	734,630	2,126,620	1,098,177	3,828,501	347,841	38,143,284	4,759,742	67,089,987
Additions from acquisition of a subsidiary company	-	-	35,158	351,271	35,654	-	89,189	-	10,494	-	-	-	-	521,766
Translation reserve	-	-	3,453	28,740	2,442	-	6,351	-	748	-	-	-	-	41,734
Additions	-	-	25,062	2,331,082	385,722	60,796	27,389	98,000	83,516	-	-	-	-	3,011,567
Disposals	-	-	-	-	-	-	-	-	-	-	-	(3,243,533)	-	(3,243,533)
Written off	-	-	-	-	(2,094)	-	-	-	(1,250)	-	-	(457,018)	-	(460,362)
As at 31.3.2015	1,815,000	10,115,968	63,673	4,008,345	1,995,998	1,309,494	857,559	2,224,620	1,191,685	3,828,501	347,841	34,442,733	4,759,742	66,961,159
Accumulated depreciation														
As at 1.1.2013	57,658	4,142,150	-	-	560,968	680,390	348,187	506,268	224,635	1,391,218	96,374	4,334,325	2,917,291	15,259,464
Charge for the financial period	45,375	1,286,643	-	110,521	273,618	154,867	90,764	396,039	98,306	478,563	43,480	1,847,022	674,802	5,500,000
Disposals	-	-	-	-	(4,151)	(5,874)	-	-	(277)	-	-	(198,000)	-	(208,302)
Written off	-	-	-	-	(8,787)	-	-	-	-	-	-	-	-	(8,787)
As at 31.3.2014	103,033	5,428,793	-	110,521	821,648	829,383	438,951	902,307	322,664	1,869,781	139,854	5,983,347	3,592,093	20,542,375
Charge for the financial year	36,300	1,023,620	23,521	648,324	342,481	128,319	86,655	408,027	65,950	382,850	34,787	1,515,401	746,979	5,443,214
Disposals	-	-	-	-	-	-	-	-	-	-	-	(242,785)	-	(242,785)
Written off	-	-	-	-	(315)	-	(27)	-	(181)	-	-	(109,702)	-	(110,225)
Translation reserve	-	-	1,314	2,348	440	-	340	-	106	-	-	-	-	4,548
As at 31.3.2015	139,333	6,452,413	24,835	761,193	1,164,254	957,702	525,919	1,310,334	388,539	2,252,631	174,641	7,146,261	4,339,072	25,637,127
Net carrying amount														
31.3.2015	1,675,667	3,663,555	38,838	3,247,152	831,744	351,792	331,640	914,286	803,146	1,575,870	173,200	27,296,472	420,670	41,324,032
31.3.2014	1,711,967	4,687,175	-	1,186,731	752,626	419,315	295,679	1,224,313	775,513	1,958,720	207,987	32,159,937	1,167,649	46,547,612

Motor vehicles, flying equipment, plant and machinery and simulators with net carrying amount of RM2,969,630 (2014: RM2,407,766) are financed under hire purchase arrangements.

Property, plant and equipment with net carrying amount of RM30,123,581 (2014: RM33,519,661) have been pledged to licensed banks for banking facilities granted to a subsidiary company.

The title deed of the freehold buildings had yet to be issued by the relevant authorities.

5. **SUBSIDIARY COMPANIES**

	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost		
At beginning of financial year/period	58,201,295	27,801,295
Addition	-	30,600,000
Disposal	-	(200,000)
At end of financial year/period	58,201,295	58,201,295
Less: Impairment loss		
At beginning of financial year/period	(492,359)	-
Recognised	(1,184,497)	(492,359)
At end of financial year/period	(1,676,856)	(492,359)
	56,524,439	57,708,936

Details of the subsidiary companies as follows:-

Name of company	Country of incorporation	Effective interest 2015 %	Effective interest 2014 %	Principal activities
Asia Pacific Flight Training Sdn. Bhd.	Malaysia	100	100	Flight education and training and investment holding
APFT Engineering Sdn. Bhd.	Malaysia	100	100	Maintenance, repair and overhaul services for aircrafts
APFT Services Sdn. Bhd.	Malaysia	100	100	Renting of pilot training aircraft and unscheduled commercial air transport operation
APFT Express Sdn. Bhd.	Malaysia	100	100	Dormant
PT Technic (M) Sdn. Bhd.	Malaysia	51	51	Mechanical engineering works for oil, gas and petrochemical industries
Subsidiary companies of Asia Pacific Flight Training Sdn. Bhd.				
APFT Assets Sdn. Bhd.	Malaysia	100	100	Dormant
APFT Maintenance Training Sdn. Bhd.	Malaysia	100	100	Maintenance training service for aviation industry
Asia Pacific Flight Training Academy Limited*	India	60#	-	Flight education and training and investment holding

** Not audited by SJ Grant Thornton*
 # Change of status from other investment to subsidiary company on 17 October 2014

(i) **Acquisition of subsidiary company**

2015

The Group's 60% owned equity interest in Asia Pacific Flight Training Academy Limited ("APFTAL") with net carrying amount of RM2,954,586 has changed its status from available-for-sales financial assets to investment in subsidiary company during the financial year effective from 17 October 2014 as a result of control exists whereby the Group now can direct the relevant activities and variable the returns of APFTAL from its involvement.

2014

On 31 January 2014, the Company acquired 51% equity interest in PT Technic (M) Sdn. Bhd. ("PTTM"). The shareholders' approval of the acquisition was obtained on 28 December 2013. The purchase consideration for the acquisition consists of:

(a) Cash consideration of RM10 million; and

(b) 74,963,609 new ordinary shares of RM0.20 each of the Company at fair value of RM0.2748 each, whereby the issue price of the share is based on five-day volume weighted average market price ("5D-VWAP") of the Company's ordinary shares.

Fair value of identifiable assets acquired and liabilities assumed

	2015 RM	2014 RM
Property, plant and equipment	521,766	1,562,917
Inventories	141,730	-
Amount due from contract customers	-	2,057,759
Trade receivables	9,612	2,619,537
Other receivables	796,558	1,117,867
Amount due from non-controlling interests	-	4,025,872
Tax recoverable	-	49,667
Cash and bank balances	641,287	727,267
Trade payables	(545,352)	(3,202,544)
Other payables	(1,065,140)	(3,552,516)
Employee benefits	(34,072)	-
Amount due to non-controlling interests	-	(750,969)
Hire purchase creditors	-	(754,535)
Total identifiable assets and liabilities	466,389	3,900,322

Net cash inflow/(outflow) arising from acquisition of a subsidiary company

	Group	
	2015 RM	2014 RM
Purchase consideration settled in cash	-	(10,000,000)
Cash and bank balances	641,287	727,267
	641,287	(9,272,733)

Goodwill arising from business combination

Goodwill is recognised as a result of the acquisition as follows:

	Group	
	2015	2014
	RM	RM
Fair value of consideration transferred	2,954,586	30,600,000
Fair value of identifiable assets acquired and liabilities assumed	(466,389)	(3,900,322)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	186,555	1,911,158
Goodwill	2,674,752	28,610,836

Acquisition-related costs

The Group incurred acquisition-related costs of Nil (2014: RM389,284) related to external legal fees and due diligence costs. Nil (2014: RM123,557) has been included in administrative expenses in the profit or loss whereas the balance of Nil (2014: RM265,727) is set-off against share premium.

Impact of the acquisition on the consolidated statements of profit or loss and other comprehensive income

From the date of acquisition, the acquired subsidiary company has contributed the following to the Group:-

	1.4.2014 to 31.3.2015	1.1.2013 to 31.3.2014
	RM	RM
Revenue	648,633	13,707,043
Net (loss)/profit for the financial year/period	(880,968)	2,601,866

If the combination had taken place at the beginning of the financial year, the Group's revenue and net loss for the financial year from its operations would have been as follows:-

	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Revenue	1,160,612	58,893,426
Net (loss)/profit for the financial year/period	(2,273,009)	(19,847,755)

(ii) **Amount due from subsidiary companies**

Company

	2015 RM	2014 RM
Amount due from subsidiary companies	21,140,852	20,590,824
Less: Impairment loss		
At beginning of financial year/period	-	-
Recognised	354,332	-
At end of financial year/period	354,332	-
	20,786,520	20,590,824

The amount due from subsidiary companies is non-trade in nature, unsecured, bears no interest and repayable on demand.

(iii) **Non-controlling interests ("NCI") in a subsidiary company**

Group

The Group's subsidiary companies that have material non-controlling interests are as follows:-

2015

	PT Technic (M) Sdn. Bhd.	**Asia Pacific Flight Training Academy Limited**	**Total**
Percentage of ownership interest and voting interest held by NCI (%)	49%	40%	
Carrying amount of NCI (RM)	3,624,026	(172,224)	3,451,802
Profit/(Loss) allocated to NCI (RM)	437,954	(352,387)	85,567

2014

	PT Technic (M) Sdn. Bhd.	**Asia Pacific Flight Training Academy Limited**	**Total**
Percentage of ownership interest and voting interest held by NCI (%)	49%	-	
Carrying amount of NCI (RM)	3,186,072	-	3,186,072
Profit allocated to NCI (RM)	1,274,914	-	1,274,914

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have non-controlling interests are as below:

(a) PT Technic (M) Sdn. Bhd.

	2015 RM	2014 RM
Financial position as at reporting date		
Non-current assets	3,768,179	2,074,589
Current assets	23,411,841	20,612,260
Non-current liabilities	(689,838)	(812,755)
Current liabilities	(19,094,211)	(15,371,906)
Net assets	7,395,971	6,502,188

	2015 RM	2014 RM
Summary of financial performance for the financial year/period ended		
Profit/Total comprehensive income for the financial year/period	893,783	2,601,866
Included in the total comprehensive income is:		
- Revenue	68,083,335	13,707,043
Summary of cash flows for the financial year/period ended		
Net cash from operating activities	702,991	4,194,587
Net cash used in investing activities	(1,401,408)	(1,579,560)
Net cash used in financing activities	(878,137)	(93,202)
Net (decrease)/increase in cash and cash equivalents	(1,576,554)	2,521,825

(b) Asia Pacific Flight Training Academy Limited

	2015 RM
Financial position as at reporting date	
Non-current assets	744,904
Current assets	919,413
Non-current liabilities	(34,021)
Current liabilities	(2,060,857)
Net liabilities	(430,561)

	2015 RM
Summary of financial performance for the financial year ended	
Loss/Total comprehensive loss for the financial year	(880,968)
Included in the total comprehensive income is:	
- Revenue	648,633
Summary of cash flows for the financial year ended	
Net cash used in operating activities	(353,570)
Net cash used in investing activities	(34,928)
Net cash used in financing activities	(36,056)
Net decrease in cash and cash equivalents	(424,554)

6. **ASSOCIATE COMPANY**

(i) **Investment in an associate company**

	Group 2015 RM	Group 2014 RM
Unquoted shares, at cost	1,634,640	1,634,640
Share of post-acquisition loss	(11,915)	-
	1,622,725	1,634,640

Details of the associate company are as follow:-

Name of company	Country of incorporation	Effective interest 2015 %	Effective interest 2014 %	Principal activities
PT Trans Asia Pacific Aviation Training *	Indonesia	49	49	Flight education and training

** Not audited by SJ Grant Thornton*

The following table summarises the information of the Group's material associate company and reconciles the information to the carrying amount of the Group's interest in the associate.

	Group 2015 RM	Group 2014 RM
Financial position as at reporting date		
Non-current assets	20,743	-
Current assets	3,300,642	3,345,700
Net assets	3,321,385	3,345,700
Summary of financial performance		
Net loss/Total comprehensive loss for the financial year/period	(24,315)	(265,009)

(ii) **Amount due to an associate company**

Group

Amount due to an associate company is non-trade in nature, unsecured, bears no interest and repayable on demand.

7. **DEFERRED COSTS**

	Group	
	2015	2014
	RM	RM
At beginning of financial year/period	659,642	1,178,068
Less: Written off	-	(444,480)
	659,642	733,588
Less: Amortisation	(153,764)	(73,946)
At end of financial year/period	505,878	659,642
Represented by:		
- Current	146,718	153,764
- Non-current	359,160	505,878
	505,878	659,642

8. **AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	Group	
	2015	2014
	RM	RM
Unquoted investments		
- Equity instruments	-	7,088,586

	Company	
	2015	2014
	RM	RM
Unquoted investment		
- Equity instrument	-	4,134,000

Group

On 17 October 2014, investment in Asia Pacific Flight Training Academy Limited amounting to RM2,954,586 has changed its status from available-for-sales financial assets to investment in subsidiaries as detailed in Note 5(i) to the Financial Statements.

Company

The unquoted investment in equity instrument has been terminated as detailed in Note 24 to the Financial Statements.

9. **FIXED DEPOSITS WITH LICENSED BANKS**

Group

The fixed deposits are pledged to licensed banks for banking facilities granted to a subsidiary company.

The weighted average effective interest is 1.50% to 3.20% (2014: 2.40% to 3.20%) per annum.

10. GOODWILL ON CONSOLIDATION

	Group	
	2015	2014
	RM	RM
At beginning of financial year/period	28,631,027	20,191
Arising from acquisition of a subsidiary company	2,674,752	28,610,836
Less: Impairment	(10,000,000)	-
At end of financial year/period	21,305,779	28,631,027

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest cash-generating unit level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2015	2014
	RM	RM
Flight related education and training industry	2,694,943	20,191
Engineering work for oil and gas industry	18,610,836	28,610,836
	21,305,779	28,631,027

The recoverable amount for goodwill was based on its value in use and was determined by discounting the future cash flows generated from the continuing use of the Group's cash-generating unit and was based on the following key assumptions:

	Growth rate		Discount rate	
	2015	2014	2015	2014
	%	%	%	%
Aviation	38	-	8	-
Engineering work for oil and gas industry	20	79	8	8

The carrying amount of the cash-generating unit of engineering work for oil and gas industry amounting to RM28,610,836 was determined to be higher than its recoverable amount of RM18,610,836. Therefore, an impairment loss of RM10,000,000 (2014: Nil) was recognised in the profit or loss for the financial year ended 31 March 2015.

With regards to the assessments of value-in-use of these CGU, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying value of this unit to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

11. INVENTORIES

	Group 2015 RM	Group 2014 RM
Materials for students	295,423	490,261
Consumables	1,183,281	1,489,273
	1,478,704	1,979,534
Inventories charge to profit or loss as cost of sales	680,530	275,091

12. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	Group 2015 RM	Group 2014 RM
Contract costs incurred to date	109,391,819	32,308,801
Attributable profits recognised to date	11,080,530	6,734,162
	120,472,349	39,042,963
Less : Progress billings issued to date	(109,719,049)	(35,605,383)
	10,753,300	3,437,580
Amount due from contract customers	10,753,300	4,201,690
Amount due to contract customers	-	(764,110)
	10,753,300	3,437,580

The advance received from contract customers is disclosed in Note 24 to the Financial Statements.

13. TRADE RECEIVABLES

	Group 2015 RM	Group 2014 RM
Trade receivables	11,245,940	15,281,683
Less: Impairment loss		
At beginning of financial year/period	(1,599,609)	(24,474)
Impairment loss recognised	(1,512,368)	(1,575,135)
At end of financial year/period	(3,111,977)	(1,599,609)
	8,133,963	13,682,074
Retention sum	3,968,209	834,636
Accrued billings	2,583,446	-
	14,685,618	14,516,710

Trade receivables are non-interest bearing and are generally on 14 to 60 days (2014: 14 to 60 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Offsetting of financial assets and liabilities of the Group for presentation purpose:

	Gross amount RM	Balance that are set off RM	Net carrying amount in the statement of financial position RM
2015			
Trade receivables	18,571,123	(3,885,505)	14,685,618
Other payables	(13,501,677)	3,885,505	(9,616,172)
2014			
Trade receivables	14,516,710	-	14,516,710
Other payables	(15,713,939)	-	(15,713,939)

Certain trade receivables and other payables were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

14. OTHER RECEIVABLES

	Group 2015 RM	Group 2014 RM
Non-trade receivables	2,486,823	853,525
Less: Impairment loss		
At beginning/end of financial year/period	(92,770)	(92,770)
	2,394,053	760,755
Deposits	759,349	904,667
Advances to sub-contractors	-	100,840
Prepayments	102,280	144,108
	3,255,682	1,910,370

	Company 2015 RM	Company 2014 RM
Deposits	203	1,000
Prepayments	-	4,764
	203	5,764

15. AMOUNT DUE FROM/TO NON-CONTROLLING INTERESTS

Group

Amount due from/to non-controlling interests is trade in nature, unsecured, bears no interest and has a credit term of 45 days (2014: 45 days).

16. **SHARE CAPITAL**

	Group and Company	
	Number of shares	Amount
	Units	RM
Authorised:-		
Ordinary shares of RM0.20 each		
At 1 January 2013	250,000,000	50,000,000
Created during the financial period	250,000,000	50,000,000
At 31 March 2014	500,000,000	100,000,000
Created during the financial year	2,000,000,000	400,000,000
At 31 March 2015	2,500,000,000	500,000,000
Issued and fully paid:-		
Ordinary shares of RM0.20 each		
At 1 January 2013	157,000,000	31,400,000
Issued during the financial period		
- Settlement of debts*	54,585,152	10,917,030
- Acquisition of a subsidiary company	74,963,609	14,992,722
- Issuance of shares	22,181,000	4,436,200
At 31 March 2014	308,729,761	61,745,952
Issued during the financial year:		
- Issuance of shares	6,473,000	1,294,600
At 31 March 2015	315,202,761	63,040,552

* Being settlement of debts owing to a Director and a company in which a Director of the Company has interest

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

17. RESERVES

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-distributable:-				
Share premium				
At beginning of financial year/period	15,614,514	6,122,561	15,614,514	6,122,561
Arising from issuance of shares	174,771	10,293,925	174,771	10,293,925
Share issuance expenses	(311,637)	(801,972)	(311,637)	(801,972)
At end of year/period	15,477,648	15,614,514	15,477,648	15,614,514
Warrants reserve				
At beginning of financial year/period	19,232,500	-	19,232,500	-
Bonus issue of warrants	-	19,232,500	-	19,232,500
At end of financial year/period	19,232,500	19,232,500	19,232,500	19,232,500
Discount on shares				
At beginning of financial year/period	(19,232,500)	-	(19,232,500)	-
Bonus issue of warrants	-	(19,232,500)	-	(19,232,500)
At end of financial year/period	(19,232,500)	(19,232,500)	(19,232,500)	(19,232,500)
Translation reserve				
Arising from foreign subsidiary company	(9,591)	-	-	-
	15,468,057	15,614,514	15,477,648	15,614,514

Share premium

Share premium represents the excess of the consideration received over the nominal value of shares issued by the Company. It is not to be distributed by way of cash dividends and its utilisation shall be in a manner as set out in Section 60 (3) of the Companies Act, 1965.

Warrants reserve and discount on shares

On 16 July 2013, the Company issued 78,500,000 warrants pursuant to bonus issue of 1 warrant for every 2 existing ordinary shares held in the Company. The warrants were listed on the Main Market of Bursa Malaysia Securities on 19 July 2013.

The warrants issued are constituted by a Deed Poll dated 28 June 2013.

The main features of the warrants are as follows:

(i) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share of RM0.20 each in the Company at an exercise price of RM0.40 each for warrants.

(ii) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.

(iii) The warrants shall be exercisable at any time within the period commencing on and including the date of issue of the warrants until the last market day prior to the fifth anniversary for warrant of the respective dates of issue of the warrants.

(iv) All new ordinary shares to be issued arising from the exercise of the warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

(v) At the expiry of the exercise period which is on 16 July 2018, any warrants which have not been exercised will lapse and cease to be valid for any purpose.

No warrant was exercised since the date of the issuance of such warrants. The warrants reserve and discount on shares arose from the allocated fair value of the 78,500,000 warrants issued.

Warrant reserve represents the total value of free warrants of 78,500,000 computed based on theoretical fair value of about RM0.245 each per warrant, which was arrived by using Black-Scholes Option Pricing Model.

<u>Translation reserve</u>

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18. MERGER DEFICIT

Group

Merger deficit represents the excess arising from the nominal value of the shares issued over the nominal value of shares acquired.

19. DEFERRED TAX LIABILITIES

	Group 2015 RM	Group 2014 RM
At beginning of financial year/period	133,555	-
Transferred to profit or loss (Note 29)	-	133,555
At end of financial year/period	133,555	133,555

The deferred tax liabilities as at the end of the reporting period are made up of the temporary differences arising from:

	Group 2015 RM	Group 2014 RM
Property, plant and equipment	133,555	133,555

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability in the near future:

	Group 2015 RM	Group 2014 RM
Carrying amount of property, plant and equipment in excess of their tax base	28,012,000	29,887,000
Unabsorbed investment tax allowances	(23,916,000)	(23,854,000)
Unabsorbed tax losses	(21,350,000)	(16,830,000)
Unutilised capital allowances	(23,691,000)	(21,316,000)
	(40,945,000)	(32,113,000)

The potential deferred tax assets are not recognised in the financial statements as the Directors opined that such amounts will not be able to be utilised in the near future.

20. EMPLOYEE BENEFITS

Gratuity

	Group 2015 RM
At beginning of financial year	-
Additions from acquisition of a subsidiary company	34,072
At end of financial year	34,072
Represented by:	
- Non-current	34,072

The principal assumptions used in determining gratuity obligation for the plan of a subsidiary are shown below:

	Group 2015 RM
Discount rate	7.80%
Rate of compensation increase	6.00%
Employee turnover	5.00%

21. BORROWINGS

	Group	
	2015 RM	2014 RM
Secured:		
Current		
Term loans (1)	2,122,410	1,992,879
Term loan (2)	71,992	81,585
Term loans (3)	41,857	38,084
Bank overdrafts	2,014,140	3,948,206
	4,250,399	6,060,754
Non-current		
Term loans (1)	3,845,137	5,721,126
Term loan (2)	392,364	467,987
Term loans (3)	1,199,158	1,237,406
	5,436,659	7,426,519
	9,687,058	13,487,273
Repayment terms:		
- not later than 1 year	4,250,399	6,060,754
- between 1 to 2 years	2,439,555	2,290,999
- between 3 to 5 years	1,953,453	3,720,900
- later than 5 years	1,043,651	1,414,620
	9,687,058	13,487,273

Term loans (1)

Term loans obtained bear interest at 1.75% (2014: 1.75%) above bank's base financing rate per annum, repayable over 72 months and 84 months respectively and are secured by the followings:-

(a) Debenture (with negative pledge provision);
(b) Charge over assets financed by borrower;
(c) Security deposit with amount equivalent to the total of the 3 installments each of MTQ 6 to be placed under General Investments Account ("GIA") and Memorandum of Deposit with Letter of Set Off to be executed over designated accounts;
(d) Supplemental debenture;
(e) Joint and several guarantee by the Company's Directors;
(f) Security deposit with amount equivalent to the total of the 3 installments each of Ijarah/MTQ 2 to be placed under GIA and Memorandum of Deposit with Letter of Set Off to be executed over designated accounts; and
(g) Corporate guarantee by holding company.

Term loan (2)

Term loan obtained bears interest at 2.20% (2014: 2.20%) below bank's base lending rate per annum, repayable over 108 months and is secured by the followings:-
(a) Loan Agreement and irrecoverable Power of Attorney;
(b) Private Caveat on master title holding the property;
(c) Original Sales and Purchase Agreement of the property; and
(d) Third party – First charge on the property.

Term loans (3)

Term loans obtained bear interest range from 1.50% to 1.70% (2014: 1.50% to 1.70%) below bank's base lending rate per annum, repayable over 240 months respectively and are secured by the followings:-

(a) Facility Agreement and irrecoverable Power of Attorney;
(b) Deed of Assignment;
(c) Private Caveat on master title holding the property;
(d) Original Sales and Purchase Agreement of the property;
(e) First party charge on the property; and
(f) Joint and several guarantee by the Company's Directors.

Bank overdrafts

Bank overdrafts obtained bear interest range from 1.50% to 1.75% (2014: 1.50% to 1.75%) above bank's base lending rate per annum.

Bank overdrafts obtained are secured by the followings:-

(a) Corporate guarantee by the Company;
(b) Joint and several guarantee by the Company's Directors;
(c) Trade Financing General Agreement; and
(d) Third party charge on the properties of a company in which a Director has interest.

22. HIRE PURCHASE CREDITORS

	Group 2015 RM	Group 2014 RM
Minimum lease payments		
- not later than 1 year	1,400,994	870,128
- between 1 to 2 years	608,268	982,018
- between 3 to 5 years	561,512	971,322
- later than 5 years	119,916	119,916
	2,690,690	2,943,384
Less : Interest-in-suspense	(222,838)	(349,836)
Present value of hire purchase creditors	2,467,852	2,593,548
Present value of hire purchase creditors		
- not later than 1 year	1,285,444	715,688
- between 1 to 2 years	554,223	900,991
- between 3 to 5 years	513,582	862,270
- later than 5 years	114,603	114,599
	1,182,408	1,877,860
	2,467,852	2,593,548

Certain hire purchase creditors are secured by way of corporate guarantee by the Company.

Hire purchase creditors bear interest ranging from 2.44% to 4.00% (2014: 2.69% to 6.79%) per annum.

23. TRADE PAYABLES

Group

Trade payables are non-interest bearing. The normal trade credit terms granted by the trade payables ranging from 30 to 60 days (2014: 30 to 60 days).

Offsetting of financial assets and liabilities of the Group for presentation purpose:

	Gross amount RM	Balance that are set off RM	Net carrying amount in the statement of financial position RM
2015			
Trade payables	(16,637,023)	501,387	(16,135,636)
Other receivables	3,757,069	(501,387)	3,255,682
2014			
Trade payables	(9,158,583)	-	(9,158,583)
Other receivables	1,910,370	-	1,910,370

Certain trade payables and other receivables were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

24. OTHER PAYABLES

	Group	
	2015	2014
	RM	RM
Other payables	1,150,765	4,888,933
Deposits received	320,665	875,352
Accruals	5,945,072	3,772,989
Advances from contract customers	2,199,670	6,176,665
	9,616,172	15,713,939

	Company	
	2015	2014
	RM	RM
Other payables	353,300	4,424,794
Accruals	661,501	212,849
	1,014,801	4,637,643

Included in other payables of the Group and of the Company amounting to Nil (2014: RM4,134,000) is purchase consideration payable to a vendor for the acquisition of 20% equity interest in a company to carry on wholesale foreign currency, money exchange and money remittance business. However, this related Share Sale Agreement has been expired and terminated during the financial year.

Included in other payables of the Group amounting to RM14,563 (2014: Nil) is amount due to related company of non-controlling interests.

25. AMOUNT DUE TO A DIRECTOR

Group

Amount due to a Director is unsecured, bears no interest and repayable on demand except for RM14,645,586 (2014: RM10,027,393) of the Group bears interest at 8.35% (2014: 8.35%) per annum.

Company

Amount due to a Director is unsecured, bears no interest and repayable on demand.

26. DEFERRED INCOME

Group

Deferred income represents deferred course fees income.

27. REVENUE

	Group		Company	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Management fee	-	-	1,251,728	1,759,890
Course fees	16,419,070	19,860,032	-	-
Rendering of services	5,843	3,671	-	-
Rental income	23,075	104,826	-	-
Contract revenue	68,083,335	13,707,043	-	-
	84,531,323	33,675,572	1,251,728	1,759,890

28. LOSS BEFORE TAX

Loss before tax has been determined after charging/(crediting), amongst others, the following items:-

	Group		Company	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Audit fees				
- Statutory audit	168,500	98,500	45,000	40,000
- other external auditor	8,595	50,000	-	-
- other services	6,000	70,000	6,000	70,000
Amortisation of deferred costs	153,764	73,946	-	-
Bad debts written off	138,618	136,650	-	-
Impairment loss on trade receivables	1,512,368	1,575,135	-	-
Impairment loss on amount due from subsidiary companies	-	-	354,332	-
Deferred costs written off	-	444,480	-	-
Depreciation	5,443,214	5,500,000	-	-
Directors' fee	151,500	86,400	121,500	86,400
Directors' remuneration	2,431,584	1,375,103	1,359,981	1,173,503
Impairment loss on investment in subsidiary companies	-	-	1,184,497	492,359
Impairment loss on goodwill	10,000,000	-	-	-
Interest expenses				
- term loans	685,149	1,314,682	-	-
- hire purchase	215,438	210,809	-	-
- bank overdrafts	242,517	427,386	-	-
- NCI	37,690	-	-	-
- Director	1,041,011	904,314	-	-

	Group		Company	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Realised loss/(gain) on foreign exchange	7,312	(62,964)	-	-
Unrealised loss/(gain) on foreign exchange	20,213	(32,964)	-	-
Rental expenses:				
- aircraft	951,248	1,718,086	-	-
- condominium	184,392	114,900	-	-
- equipment	8,468,917	1,545,389	-	-
- hangar	17,470	35,075	-	-
- land	626,662	762,395	-	-
- land for skidtank	4,000	7,500	-	-
- office	1,037,304	625,780	-	-
- office equipment	21,250	35,140	-	-
- motor vehicles	100	10,774	-	-
(Gain)/loss on disposal of property, plant and equipment	(233,072)	258,315	-	-
Property, plant and equipment written off	350,137	-	-	-
Rental income	(236,729)	(518,650)	-	-
Interest income	(17,529)	(5,277)	(353)	(1,175)
Waiver of debts	-	(1,103)	-	-
Executive:-				
Salaries and other emoluments	2,212,132	1,230,703	1,258,561	1,050,703
Directors' fee	30,000	-	-	-
Defined contribution plan	79,920	121,500	79,920	99,900
Other benefits	139,532	22,900	21,500	22,900
	2,461,584	1,375,103	1,359,981	1,173,503
Non-executive:-				
Directors' fee	121,500	86,400	121,500	86,400
	2,583,084	1,461,503	1,481,481	1,259,903

29. TAX EXPENSES

	Group	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Current tax:		
- Current year provision	245,610	748,182
- Under/(over) provision of taxation in prior year	9,968	(7,343)
Deferred tax:		
- Current year deferred taxation (Note 19)	-	133,555
	255,578	874,394

Malaysian income tax is calculated at the statutory tax rate of 25% (1.1.2013 to 31.3.2014: 25%) of the estimated taxable profits for the financial year/period.

However, the above amounts are subject to the approval of Inland Revenue Board of Malaysia.

A reconciliation of income tax expenses on loss before tax with the applicable statutory income tax rate is as follows:-

	Group	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Loss before tax	(21,710,197)	(18,614,790)
Income tax at rate of 25%	(5,427,549)	(4,653,698)
Tax effect in respect of:		
Expenses not deductible for tax purposes	3,599,516	1,042,698
Income not subject to tax	(134,357)	(125,513)
Deferred tax assets not recognised	2,208,000	5,332,000
Utilisation of deferred tax assets previously not recognised	-	88,250
Investment tax allowances for the year	-	(802,000)
Under/(over) provision of taxation in prior year	9,968	(7,343)
Total tax expense at effective tax rate	255,578	874,394

30. LOSS PER SHARE

Group

Basic loss per ordinary share

Basic loss per ordinary share is calculated by dividing net loss for the financial year/period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year/period as follows:-

	Group	
	1.4.2014 to 31.3.2015	1.1.2013 to 31.3.2014
Net loss for the financial year/period attributable to ordinary shares holders of the Company (RM)	22,051,342	20,764,098
Weighted average number of ordinary shares in issue (unit)	314,691,651	190,609,388
Basic loss per share (sen)	7.01	10.89

Diluted loss per ordinary share

Diluted loss per ordinary share is not applicable for the financial year/period as the unexercised convertible warrants were anti-dilutive in nature, this is due to the average market share price of the Company is below the exercise price of warrants.

31. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Directors' remuneration	2,431,584	1,375,103	1,359,981	1,173,503
Salaries and other emoluments	15,015,977	10,962,812	285,000	787,294
Defined contribution plan	1,290,837	925,431	30,126	48,978
Social security contributions	113,614	77,161	2,376	2,811
Other benefits	290,558	445,885	5,981	46,928
	19,142,570	13,786,392	1,683,464	2,059,514

Some of the following employee benefits have been included in contract costs incurred during the financial year under Note 12 to the Financial Statements:-

	Group	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Staff costs	7,653,952	3,353,361
Defined contribution plan	506,796	192,940

32. RELATED PARTY DISCLOSURES

(a) Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are as follows:-

	Group		Company	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Management fee charged to subsidiary companies	-	-	1,251,728	1,759,890
Interest charged by a Director	1,041,011	904,314	-	-
Progress billings claimed on contract works performed for NCI	11,040	438,841	-	-
Billings on contract works performed by NCI	21,913,186	270,191	-	-
Project management performed by NCI	-	1,270,000	-	-
Secondment fee payable to NCI	-	70,000	-	-
Supply of manpower from NCI	153,313	31,811	-	-
Supply of manpower to NCI	632,047	-	-	-
Bank facilities fees payable to NCI	-	109,310	-	-
Rental income from NCI	176,000	-	-	-
Rental expenses charged by NCI	60,000	-	-	-
Interest payable to NCI	37,690	-	-	-
Service fees charged by NCI	221,693	-	-	-
Services fees charged by companies in which NCI have interest	20,688	-	-	-
Advisory fee paid to a company that Directors deemed to have interest	-	378,000	-	-
Transfer of investment in a subsidiary company to another subsidiary company	-	-	-	200,000

(b) Outstanding balances arising from related party transactions

The outstanding balances arising from related party transactions as at the reporting date were disclosed in Notes 5, 6, 15, 24 and 25 to the Financial Statements.

(c) Key management personnel

Key management personnel include Directors of the Group and the Company, and persons who have authority and responsibility for planning, directing and controlling the activities of the Group and the Company, either directly or indirectly.

The remuneration of key management personnel which includes the Directors' remuneration were disclosed as follows:

	Group		Company	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Salaries and other short-term employees benefits	3,372,313	3,586,349	1,551,261	1,375,103

33. CONTINGENT LIABILITIES

	Company	
	2015 RM	2014 RM
Unsecured:-		
Corporate guarantee granted to subsidiary company	8,741,107	4,907,000

34. CAPITAL COMMITMENTS

	Group	
	2015 RM	2014 RM
Capital expenditure		
Authorised and contracted for:		
Plant and machinery	-	530,000

35. OPERATING SEGMENT

Operating segments are components in which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of flight education and training, and mechanical engineering works and services as its operating segments. Others consist of investment holding, non-bank remittance service, maintenance training service, rental of aircrafts, maintenance and repair services for pilot training aircrafts.

	Note	Flight education and training RM	Mechanical engineering works and services RM	Others RM	Eliminations RM	Total RM
2015						
Revenue:						
External revenue		14,561,957	68,083,335	1,886,031	-	84,531,323
Inter-segment	i	-	-	3,378,495	(3,378,495)	-
Total revenue		14,561,957	68,083,335	5,264,526	(3,378,495)	84,531,323
Results:						
Interest income		17,170	6	353	-	17,529
Finance costs		(2,099,369)	(111,985)	(10,451)	-	(2,221,805)
Amortisation of deferred costs		(153,764)	-	-	-	(153,764)
Depreciation		(4,259,938)	(832,537)	(350,739)	-	(5,443,214)
Other non-cash (expenses)/income	ii	(1,647,482)	(986)	(139,796)	(10,000,000)	(11,788,264)
Share of loss of associate company		(11,915)	-	-	-	(11,915)
Tax expenses		(10,984)	(244,344)	(250)	-	(255,578)
Segment (loss)/ profit		(14,318,276)	893,783	(4,115,495)	(4,425,787)	(21,965,775)
Assets:						
Investment in associate company		1,622,725	-	-	-	1,622,725
Additions to non-current assets	iii	442,532	2,527,408	41,627	-	3,011,567
Segment assets		52,991,049	27,180,020	87,987,150	(69,830,830)	98,327,389
Liabilities:						
Segment liabilities		60,122,143	19,784,049	14,549,030	(29,156,656)	65,298,566

	Note	Flight education and training RM	Mechanical engineering works and services RM	Others RM	Eliminations RM	Total RM
2014						
Revenue:						
External revenue	i	19,006,699	13,707,043	961,830	-	33,675,572
Inter-segment		-	-	2,869,500	(2,869,500)	-
Total revenue		19,006,699	13,707,043	3,831,330	(2,869,500)	33,675,572
Results:						
Interest income		4,086	16	1,175	-	5,277
Finance costs		(2,817,926)	(18,010)	(21,255)	-	(2,857,191)
Amortisation of deferred costs		(73,946)	-	-	-	(73,946)
Depreciation		(4,993,416)	(165,434)	(341,150)	-	(5,500,000)
Other non-cash (expenses)/income	ii	(3,874,309)	32,964	(503,635)	1,964,467	(2,380,513)
Tax expenses		(13,548)	(868,189)	7,343	-	(874,394)
Segment (loss)/ profit		(20,376,611)	2,601,866	(3,678,906)	1,964,467	(19,489,184)
Assets:						
Investment in associate company		1,634,640	-	-	-	1,634,640
Additions to non-current assets	iii	3,097,231	677,106	3,722,685	(164,407)	7,332,615
Segment assets		57,136,254	22,686,849	92,446,958	(58,766,174)	113,503,887
Liabilities:						
Segment liabilities		55,020,401	16,184,661	17,589,906	(28,957,373)	59,837,595

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(i) Inter-segment revenues are eliminated on consolidation.
(ii) Other non-cash income/(expenses) consist of the following items:

	Group 1.4.2014 to 31.3.2015 RM	Group 1.1.2013 to 31.3.2014 RM
Bad debts written off	(138,618)	(136,650)
Deferred costs written off	-	(444,480)
Impairment loss on trade receivables	(1,512,368)	(1,575,135)
Unrealised (loss)/gain on foreign exchange	(20,213)	32,964
Waiver of debts	-	1,103
Gain/(Loss) on disposal of property, plant and equipment	233,072	(258,315)
Property, plant and equipment written off	(350,137)	-
Impairment loss on goodwill	(10,000,000)	-
	(11,788,264)	(2,380,513)

(iii) Additions to non-current assets consists of:-

	2015 RM	2014 RM
Property, plant and equipment	3,011,567	7,332,615

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets consist of property, plant and equipment, deferred costs and goodwill on consolidation.

	Revenue		Non-current assets	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM	2015 RM	2014 RM
Malaysia	83,882,690	33,675,572	62,429,478	75,684,517
India	648,633	-	559,493	-
	84,531,323	33,675,572	62,988,971	75,684,517

Information about major customers

The following are major customers from mechanical engineering works and services segment only with revenue equal or more than 10% of the Group's total revenue.

	Revenue	
	1.4.2014 to 31.3.2015 RM	1.1.2013 to 31.3.2014 RM
Customer A	17,497,938	11,381,383
Customer B	13,686,450	10,357,769
Customer C	17,402,417	-

36. FINANCIAL INSTRUMENTS

36.1 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's business whilst managing its risks. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

Following are the areas where the Group and the Company are exposed to credit risk:-

(i) ***Receivables***

With a credit policy in place to ensure the credit risk is monitored on an on-going basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables (exclude accrued billings) are as follows:-

	Gross RM	Individually impaired RM	Net RM
2015			
Not past due	6,648,865	-	6,648,865
Past due 1 - 30 days	172,248	-	172,248
Past due 31 - 60 days	904,594	-	904,594
More than 61 days	7,488,442	(3,111,977)	4,376,465
	15,214,149	(3,111,977)	12,102,172
2014			
Not past due	9,923,737	-	9,923,737
Past due 1 - 30 days	816,644	-	816,644
Past due 31 - 60 days	837,400	-	837,400
More than 61 days	4,538,538	(1,599,609)	2,938,929
	16,116,319	(1,599,609)	14,516,710

The Group has trade receivables amounting to RM5,453,307 (2014: RM4,592,973) that are past due at the reporting date but not impaired. The Group has put in place a credit control measure for flight education and training segment whereby students will only be issued the flight training licence and certificate upon full settlement of their outstanding fees. This will inevitably reduce chances of non-payment of fees by students. For customers other than students, these relate to a number of independent customers from whom there is no recent history of default. No impairment has been made as the Board of Directors are of the view that the amounts are recoverable.

The Group's policy is to make full allowance for all trade receivables that are in dispute, under legal action or where recoveries are considered to be doubtful.

The net carrying amount of trade receivables is considered a reasonable approximate of fair value. Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Trade receivables consist of a large number of customers in various backgrounds. Based on historical information about customers' default rates, the management considers the credit quality of trade receivables that are not past due or impaired to be good.

In respect of trade and other receivables, the Group and the Company are not exposed to any significant credit risk exposure to any single counterparty other than 59% (2014: 48%) of trade receivables were due from 3 debtors (2014: 1 debtor).

(ii) ***Intercompany loans and advances***

The Company provides unsecured loans and advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

As at the end of the reporting period, there was no indication that the net carrying amount of amount due from subsidiary companies are not recoverable, other than those disclosed in Note 5(ii) to the financial statements.

(iii) ***Cash and cash equivalents***

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(iv) ***Financial guarantees***

The maximum exposure to credit risk is amounted to RM8,741,107 (2014: RM4,907,000), represented by the outstanding banking facilities and hire purchase facility of a subsidiary company as at the reporting date.

The Company provides unsecured financial guarantees to licensed banks and financial institutions in respect of banking facilities and hire purchase facility granted to a subsidiary company. The Company monitors on an on-going basis the results of the subsidiary company and repayments made by the subsidiary company.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity risk that arises principally from its various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks and also loan from a Director of the Company.

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow:-

Group

	Carrying amount RM	Undiscounted contractual cash flows RM	Current: Less than 1 year RM	Non-current: Between 1 to 2 years RM	Non-current: Between 3 to 5 years RM	Non-current: More than 5 years RM
2015						
Non-derivative financial liabilities						
Secured:						
Borrowings	9,687,058	11,016,753	4,805,998	2,758,612	2,059,719	1,392,424
Hire purchase creditors	2,467,852	2,690,690	1,400,994	608,268	561,512	119,916
	12,154,910	13,707,443	6,206,992	3,366,880	2,621,231	1,512,340
Unsecured:						
Trade payables	16,135,636	16,135,636	16,135,636	-	-	-
Other payables	9,616,172	9,616,172	9,616,172	-	-	-
Employee benefits	34,072	34,072	-	34,072	-	-
Amount due to non-controlling interests	3,334,539	3,334,539	3,334,539	-	-	-
Amount due to an associate company	1,145,840	1,145,840	1,145,840	-	-	-
Amount due to a Director	20,247,497	20,247,497	20,247,497	-	-	-
	50,513,756	50,513,756	50,479,684	34,072	-	-
Total undiscounted financial liabilities	62,668,666	64,221,199	56,686,676	3,400,952	2,621,231	1,512,340

Group

	Carrying amount RM	Undiscounted contractual cash flows RM	Current: Less than 1 year RM	Non-current: Between 1 to 2 years RM	Non-current: Between 3 to 5 years RM	Non-current: More than 5 years RM
2014						
Non-derivative financial liabilities						
Secured:						
Borrowings	13,487,273	15,787,105	6,706,817	2,758,611	4,309,533	2,012,144
Hire purchase creditors	2,593,548	2,943,384	870,128	982,018	971,322	119,916
	16,080,821	18,730,489	7,576,945	3,740,629	5,280,855	2,132,060
Unsecured:						
Trade payables	9,158,583	9,158,583	9,158,583	-	-	-
Other payables	15,713,939	15,713,939	15,713,939	-	-	-
Amount due to non- controlling interests	89,991	89,991	89,991	-	-	-
Amount due to an associate company	1,190,390	1,190,390	1,190,390	-	-	-
Amount due to a Director	15,507,065	15,507,065	15,507,065	-	-	-
	41,659,968	41,659,968	41,659,968	-	-	-
Total undiscounted financial liabilities	57,740,789	60,390,457	49,236,913	3,740,629	5,280,855	2,132,060

Company

As at the reporting date, the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted cash flows is less than one year.

(c) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the Group's functional currency, i.e. Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD"), Indonesia Rupiah ("IDR") and India Rupee ("INR") which are arising mainly from the acquisition of aircrafts, acquisition of a subsidiary company and acquisition of an associate company. The Group's guideline is to minimise the exposure of foreign currency risk by matching local currency income against local currency costs. The exposure to foreign currency risk is minimal as at reporting period.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile. The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date were as follows:-

	Group	
	2015	2014
	RM	RM
Fixed rate instruments		
Fixed deposits with licensed banks	678,569	507,213
Amount due to a Director	(14,645,586)	(10,027,393)
Hire purchase creditors	(2,467,852)	(2,593,548)
	(16,434,869)	(12,113,728)
Floating rate instrument		
Borrowings	(9,687,058)	(13,487,273)

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The following table illustrates the sensitivity of loss to a reasonably possible change in interest rate of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rate. All other variables are held constant.

	(Increase)/ Decrease in loss for the financial year/period	
	RM	RM
	+0.5%	-0.5%
Floating rate instrument		
31 March 2015	(48,435)	48,435
31 March 2014	(67,436)	67,436

36.2 **Fair values of financial instruments**

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or immaterial discounting impact.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted prices in active market. In addition, it is impracticable to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique.

Fair value hierarchy

No fair value hierarchy has been disclosed as the Group and the Company do not have financial instruments measured at fair value.

37. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as going concerns, so as to maintain investor, creditor and market confidence and to sustain future development of the businesses.

The Group and the Company set the amount of capital in proportion to their overall financing structure, i.e. equity and financial liabilities. The Group and the Company manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may return capital to shareholders, issue new shares or sell assets to reduce debts. There were no changes in the Group's and the Company's approach to capital management during the financial period.

38. COMPARATIVE FIGURES

The comparative figures are for the period from 1 January 2013 to 31 March 2014. Consequently, the comparative amounts for the statements of profit or loss and other comprehensive income, statements of cash flows, statements of changes in equity and related notes are not comparable.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE

(a) Proposals

On 21 July 2014, the Company proposed to undertake the following proposals:-

(i) Private placement of up to 118,110,000 new ordinary shares of RM0.20 each, representing up to approximately 30% of the issued and paid-up share capital of the Company;

(ii) Establishment on an employee share option scheme ("ESOS") involving the issuance of up to 15% of the issued and paid-up share capital of the company (excluding treasury shares) to the eligible employees and Directors of the Company and its subsidiary companies (excluding dormant subsidiary companies);

(iii) Increased in the authorised share capital of the Company from RM100,000,000 comprising 500,000,000 ordinary shares to RM500,000,000 comprising 2,500,000,000 ordinary shares; and

(iv) Amendment to the Memorandum and Articles of Association as a consequence of the proposed increase in authorised share capital during the financial year.

(Collectively known as "Proposals")

Bursa Malaysia Securities Berhad ("Bursa Malaysia") had approved the abovesaid Proposals on 29 August 2014. ESOS is still pending for implementation as at to date. For private placement, the Company had subsequently obtained the approval from Bursa Malaysia on 16 February 2015 to extent the completion of private placement implementation period until 28 August 2015.

As at to date, the following private placements have been issued:

The first tranche of the Placement of 10,000,000 units of new ordinary shares of RM0.20 each was issued on 1 April 2015 at RM0.20.

The second tranche of the Placement of 10,000,000 units of new ordinary shares of RM0.20 each was issued on 3 April 2015 at RM0.20.

The third tranche of the Placement of 2,000,000 units of new ordinary shares of RM0.20 each was issued on 23 April 2015 at RM0.20.

The fourth tranche of the Placement of 8,000,000 units of new ordinary shares of RM0.20 each was issued on 27 April 2015 at RM0.20.

The fifth tranche of the Placement of 3,000,000 units of new ordinary shares of RM0.20 each was issued on 6 May 2015 at RM0.20.

The sixth tranche of the Placement of 10,000,000 units of new ordinary shares of RM0.20 each was issued on 8 June 2015 at RM0.20.

The issue price for the seventh tranche of the Placement of 17,000,000 units of new ordinary shares was fixed at RM0.20 on 22 July 2015 but yet to be allotted as at to date.

(b) **Memorandum of Agreement ("MOA")/ Memorandum of Understanding ("MOU")**

(i) On 23 September 2014, APFT Maintenance Training Sdn. Bhd. ("APFT-MT"), a wholly-owned subsidiary of the Company had entered into a Joint Aviation Technical Training Partnership with Lufthansa Technical Training GMBH ("LTT") whereby LTT shall deliver the European Aviation Safety Agency ("EASA") program approved courseware and EASA approved examination centre to APFT-MT.

(ii) On 5 December 2014, the Company had entered into an agreement on Aviation Courses (Ground Handling-Ramp Services) with Ministry of Education to implement the services on Aviation Courses.

(iii) On 17 March 2015, APFT Services Sdn. Bhd. ("ASSB"), a wholly-owned subsidiary of the Company, had entered into a Memorandum of Understanding with Evektor Asia Pacific Limited ("EAP") for the purpose of recording general willingness between ASSB and EAP to discuss in good faith the possible purchase of two units of Evektor EV-55 outback valued at USD6 million from EAP. The transaction is not completed as at to date.

(iv) On 23 March 2015, ASSB had entered into a Sale and Purchase Agreement with Solaire Sdn. Bhd. ("SSB") for the disposal of one unit of used Robinson R66 Turbine Helicopter Year 2013, Serial No.0374, Registration No. 9M – NKX for a total consideration of USD870,000. The transaction was completed during the financial year.

(v) On 18 June 2015, the Company entered into a Memorandum of Understanding with two vendors ("Vendors") to record intention of the Company to acquire 100 fully paid ordinary shares of RM1.00 each in Oasis Boulevard Sdn. Bhd. ("Oasis"), representing 100% of the total issued and paid up capital in Oasis from the Vendors at an indicative consideration of RM10,000,000. However, the transaction is not completed as at to date.

(c) **Proposed Capitalisation**

On 13 July 2015, the Company proposed to settle the amount owing to a Director of RM5 million via an issuance of 24,570,024 new ordinary shares of RM0.20 each in the Company ("Settlement Shares") at an issue price of RM0.2035 per Settlement Share ("Proposed Capitalisation"). This proposal has been submitted to Bursa on 23 July 2015 but yet to be approved as at to date.

40. DISCLOSURE OF REALISED AND UNREALISED LOSSES

Bursa Malaysia Securities Berhad had on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group and company basis in the annual audited financial statements.

The breakdown of unappropriated profits/accumulated losses as at the reporting date which have been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the 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 are as follows :

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total accumulated losses of the Group and of the Company				
- Realised	(23,540,120)	(7,634,782)	(7,359,112)	(4,989,165)
- Unrealised	(153,768)	(100,591)	-	-
	(23,693,888)	(7,735,373)	(7,359,112)	(4,989,165)
Consolidation adjustments	(4,237,702)	1,855,125	-	-
	(27,931,590)	(5,880,248)	(7,359,112)	(4,989,165)

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

The above disclosures were reviewed and approved by the Board of Directors in accordance with a resolution of the Directors passed on 28 July 2015.

ANALYSIS ON SHAREHOLDINGS AS AT 31 JULY 2015

SHARE CAPITAL

Authorised Share Capital	:	RM500,000,000.00 divided into (2,500,000,000 ordinary shares of RM0.20 each)
Issued and Fully Paid	:	RM77,040,552.20 divided into (385,202,761 ordinary shares of RM0.20 each)
Class of Shares	:	Ordinary Shares of RM0.20 each
Voting Rights	:	One (1) vote per One (1) ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	9	0.45	111	0.00
100 - 1,000	533	26.77	104,896	0.03
1,001 - 10,000	415	20.85	2,980,654	0.77
10,001 - 100,000	747	37.52	31,484,258	8.17
100,001 to less than 5%	285	14.31	282,340,842	73.30
5% and above	2	0.10	68,292,000	17.73
Subtotal	**1,991**	**100.00**	**385,202,761**	**100.00**

DIRECTORS' SHAREHOLDINGS (as per Record of Register of Directors' Shareholdings)

Name of Directors	< -------Direct-------- > No. of Shares	%	< -------Indirect------ > No. of Shares	%
Dato' Faruk Bin Othman	98,467,398	25.56	4,766,754 [1]	1.24
Arif Bin Faruk	4,300,000	1.12	98,934,152 [2]	25.68
Tan Nyap Keong @ Tony Tan	-	-	-	-
Nik Din Bin Nik Sulaiman	-	-	-	-
Dato' Azmi Bin Abdullah	-	-	-	-

SUBSTANTIAL SHAREHOLDINGS (as per Record of Register of Substantial Shareholders)

Substantial Shareholder	< -------Direct-------- > No. of Shares	%	< -------Indirect------ > No. of Shares	%
Dato' Faruk Bin Othman	98,467,398	25.56	4,766,754 [1]	1.24
Arif Bin Faruk	4,300,000	1.12	98,934,152 [2]	25.68
Aida Binti Faruk	211,000	0.05	103,023,152 [3]	26.75
Aisyah Binti Faruk	250,000	0.06	102,984,152 [4]	26.74

(1) Deemed Interest by virtue of the direct shareholdings of his children, namely Arif Bin Faruk, Aida Binti Faruk and Aisyah Binti Faruk in Forad Holdings Sdn Bhd and the Company pursuant to Section 134(12)(c) of the Companies Act, 1965

(2) Deemed interest by virtue of his interests in Forad Holdings Sdn Bhd and his father, Dato Faruk Bin Othman and siblings, Aida Binti Faruk s and Aisyah Binti Faruk s direct shareholdings in the Company

(3) Deemed interest by virtue of her interests in Forad Holdings Sdn Bhd and her father, Dato Faruk Bin Othman and siblings, Ariff Bin Faruk s and Aisyah Binti Faruk s direct shareholdings in the Company

(4) Deemed interest by virtue of her interests in Forad Holdings Sdn Bhd and her father, Dato Faruk Bin Othman and siblings, Ariff Bin Faruk s and Aida Binti Faruk s direct shareholdings in the Company

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No..	Name Of Shareholders	No. of Shares	%
1.	Faruk Bin Othman	37,312,000	9.686
2.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Faruk Bin Othman*	30,980,000	8.042
3.	HSBC Nominees (Tempatan) Sdn Bhd *BSI SA For Faruk Bin Othman*	18,300,000	4.750
4.	Su Ming Yaw	15,941,500	4.138
5.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An For OCBC Securities Private Limited (Client A/C-Nr)*	15,350,000	3.984
6.	SJ Sec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Mohd Bilal Bin Abdullah (SJ8)*	9,000,000	2.336
7.	Tan Soon Kiat	8,275,100	2.148
8.	Ron Paul	8,048,700	2.089
9.	Ong Yong Beng	7,240,400	1.879
10.	Foong Kok Choon	7,230,400	1.877
11.	Huam Hong Ping	7,000,000	1.817
12.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Faruk Bin Othman (8093103)*	5,768,000	1.497
13.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Faruk Bin Othman (7000895)*	5,745,000	1.491
14.	Barisan Bijak Sdn Bhd	5,300,042	1.375
15.	Su Ming Ming	5,000,000	1.298
16.	Lim Choon Chew	4,318,400	1.121
17.	Arif Bin Faruk	4,300,000	1.116
18.	Su Ming Keat	4,000,000	1.038
19.	Puah Kah Ling	3,555,500	0.923
20.	Ho Mee Yean	3,395,000	0.881
21.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank For Wong Siaw Wei (MQ0323)*	3,069,500	0.796

No..	Name Of Shareholders	No. of Shares	
22.	SJ Sec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Mohd Bilal Bin Abdullah (SMT)*	3,050,000	0.791
23.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Exempt An For Bank Of Singapore Limited*	3,000,000	0.778
24.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Vertical Source Sdn. Bhd. (021)*	3,000,000	0.778
25.	Su Ming Huey	3,000,000	0.778
26.	Chua Kean Lim	2,926,600	0.759
27.	Ng Tjun Mun	2,876,000	0.746
28.	Lim Kim Hin	2,808,000	0.728
29.	Kenanga Investment Bank Berhad *Exempt AN CLR (A8) For OCBC Securities Private Limited (Client Ac-Nr1)*	2,750,000	0.713
30.	Ng Tjun Mun	2,209,700	0.573
Total		**234,749,842**	**60.926**

ANALYSIS ON WARRANT HOLDINGS AS AT 31 JULY 2015

No. of Warrants in Issue	:	78,500,000
No. of Warrant Holders	:	1,379
Exercise Price of Warrants	:	RM0.40 per warrant
Voting Rights	:	One (1) vote per warrant holder on a show of hands or on a poll in the meeting of warrant holders

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
1 - 99	477	34.59	23,545	0.03
100 - 1,000	75	5.44	47,155	0.06
1,001 - 10,000	255	18.49	1,470,250	1.87
10,001 - 100,000	411	29.80	19,656,100	25.04
100,001 to less than 5%	161	11.68	57,302,950	73.00
5% and above	-	-	-	0.00
Subtotal	**1,379**	**100.00**	**78,500,000**	**100.00**

DIRECTORS' WARRANT HOLDINGS

Name of Directors	< ---------Direct---------- >		< ---------Indirect-------- >	
	No. of Warrants	**%**	**No. of Warrants**	**%**
Dato' Faruk Bin Othman	-	-	-	-
Arif Bin Faruk	-	-	-	-
Tan Nyap Keong @ Tony Tan	-	-	-	-
Nik Din Bin Nik Sulaiman	-	-	-	-
Dato' Azmi Bin Abdullah	-	-	-	-

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No..	Name Of Shareholders	No. of Warrants	%
1.	Zainal Ariffin Bin Osman	3,452,500	4.398
2.	Chong Mee Fah @ Frederick Chong	2,381,600	3.033
3.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Exempt An For Bank Of Singapore Limited*	1,807,000	2.301
4.	Muhammad Asri Bin Fazer	1,777,500	2.264
5.	Tan Ooi Chew Keong	1,215,000	1.547
6.	Ong Bok Lim	1,200,000	1.528
7	Tan Shu Tee	1,200,000	1.528
8	Soh Tong Hwa	1,100,000	1.401
9	Chin Chin Moi	1,000,000	1.273
10	Sarina Iwaz Karim @ Loke Saw Yin	1,000,000	1.273
11	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank For Sharon Saw Shu Mei (MY0809)*	930,500	1.185
12	Tan Choi Khow	828,300	1.055
13	Lim Swee Guan	805,000	1.025
14	Leong Hin Wah	800,000	1.019
15	Ooi Khai Huat	800,000	1.019
16	Chua Kau Lian	700,000	0.891
17	Ho Chin Cheow	700,000	0.891
18	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lim Boon Tiong (E-SS2)*	631,250	0.804
19	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Kim Guan (CCTS)*	623,000	0.793
20	Yeap Hwee Peng	610,000	0.777

No..	Name Of Shareholders	No. of Warrants	%
21	Abdul Rahman Bin Abdul Karim	539,000	0.686
22	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ridfan Bin Abd Hamid (CEB)*	511,200	0.651
23	Maybank Nominees (Tempatan) Sdn Bhd *King Hui Sing*	509,400	0.648
24	C.J. Lim Holdings Sdn. Bhd.	500,000	0.636
25	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Wang Kam Ying @ Wan Kam Ying (Margin)*	500,000	0.636
26	Yang Suk Hwa	500,000	0.636
27	Choo Why Tong	495,000	0.630
28	Clinston Ho Yiu Chung	474,200	0.604
29	Tan Siew Bee	468,000	0.596
30	Seow Chye Hiap	461,200	0.587
Total		**28,519,650**	**36.315**

LIST OF PROPERTIES

PROPERTIES OWNED BY THE COMPANY AND ITS SUBSIDIARIES

Registered Beneficial Owner	Description and existing use	Location	Tenure	Land Area/ Built-Up Area	Age of Building (Year)	Net Book Value (RM)	Date of Acquisition/ Revaluation
Asia Pacific Flight Training Sdn Bhd	One unit of service apartment currently used as student hostel	Parcel No. 1-3-1, Floor 3, Block 1, Amaya Saujana Phase 3, 41050 Selangor Darul Ehsan	Freehold	N/A / 1,808 Sq ft	2	760,667	31/10/2011
Asia Pacific Flight Training Sdn Bhd	Office Premise currently used as corporate office	Suite 50-5-5, 5th Floor Wisma UOA Damansara, No 50, Jalan Dungun, Bukit Damansara, 50490 Kuala Lumpur	Freehold	N/A / 1,956 sq ft	9	915,000	10/03/2010
Asia Pacific Flight Training Sdn Bhd	3-storey shophouse	1661, Commercial Area Bandar Baru Kubang Kerian,16150 Kota Bharu, Kelantan.	Leasehold	N/A / 377.38 sq. m	6	645,150	20/06/2011

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PROXY FORM

APFT BERHAD

(No. 886873-T) (Incorporated in Malaysia)

I/We ____

of ____

being a member of **APFT BERHAD** hereby appoint ______________________________

____

of ____,

or failing whom ____

of ____,

or failing whom, CHAIRMAN OF THE MEETING as my / our proxy to vote for me / us and on my / our behalf at the **FIFTH ANNUAL GENERAL MEETING** of the Company to be held at **Kuala Lumpur Golf & Country Club Function Room 2 & 3, 1st floor, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur** on **Monday, 21 September 2015** at **9.30am** and at every adjournment thereof for/against the resolutions to be proposed thereat.

My/our Proxy(ies) is(are) to vote as indicated hereunder: -

Resolution		**For**	**Against**
Resolution 1	To re-elect Dato' Faruk Bin Othman.		
Resolution 2	To re-elect Dato Azmi Bin Abdullah.		
Resolution 3	To approve the payment of Directors' fees.		
Resolution 4	To re-appoint Messrs SJ Grant Thornton as Auditors and to authorised the directors to fix their remuneration.		
Resolution 5	To authorise the Directors to issue shares.		

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion]

Dated this .... day of .... 2015.

First Proxy:	%
Second Proxy:	%
Total:	%

Number of shares held:	
CDS A/C No.	

____

(Signature)

NOTES:

1. *For the purpose of determining a member who shall be entitled to attend this meeting, only members whose names appear in the Record of Depositors as at 10 September 2015 will be entitled to attend and speak and vote at the Meeting.*
2. *A member of the Company entitled to be present and to vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote instead of him(her). A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
4. *Where a member appoints more than one (1) proxy to attend and vote at the same Meeting, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*
5. *If the appointer is a corporation, this form must be executed under its common seal or under the hand of its officer or attorney.*
6. *The instrument appointing a proxy must be deposited at the registered office of the Company at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
APFT BERHAD
(Company No. 886873-T)
No 1 & 1A,
2nd Floor (Room 2),
Jalan Ipoh Kecil,
50350 Kuala Lumpur.

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APFT BERHAD
(886873-T)

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