HIJRAH *by Syed Ahmad Jamal*

APFT BERHAD | ANNUAL REPORT 2013

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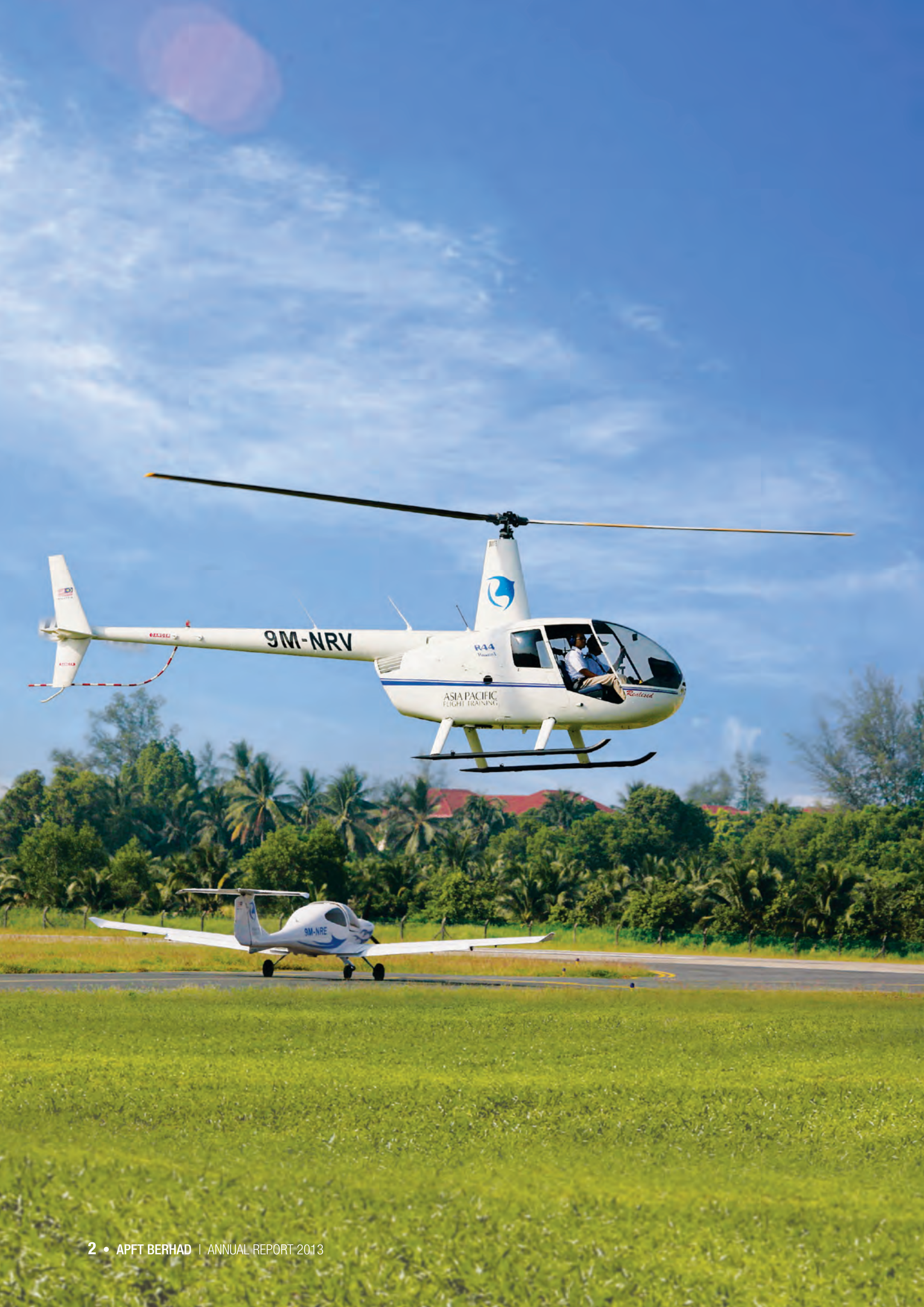
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CHAIRMAN'S STATEMENT

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 period from 1 January 2013 to 31 March 2014.

This financial year saw our Board, management team, employees' commitment and vision to transform APFT Berhad into a player in the oil and gas industry. We also aim to be a provider of aviation support and services, while maintaining our leadership position as a premier flight-training academy.

Although the Group reported a net loss of RM19.5 million for the 15 months period ended 31 March 2014, the Group has significantly progressed through its diversification and expansion strategy, developing and implementing new initiatives outside our Malaysian domestic market. We are currently expanding our support offerings, identifying new business and revenue streams as well as forging strategic alliances and partnerships.

The Group continued to implement initiatives to mitigate the downtrend in the Malaysian pilot training market. We have pursued our vision to be an integrated Aviation Training Academy by adding other aviation-related training programs. We are pioneers in the Ground Handling training and to date, have successfully trained more than 100 ground operation personnel. Aircraft Maintenance Engineering is another area of training that we are now ready to commence.

Apart from our aviation training focus, we are benefiting from our diversifying revenue through the engineering, procurement, construction and commissioning (EPCC) sector in the oil and gas and petrochemical industries. The Board reasonably anticipates that this area may contribute to the Group's net profits in the years ahead. This is from APFT's acquisition of a 51% shareholding in PT Technic (M) Sdn Bhd (PT Technic). PT Technic has fulfilled its guaranteed profit after tax of RM6.21million for the year.

This achievement has validated the Board's confidence that we have taken the right decision in acquiring the oil and gas venture. Increased exploration and production (E&P) activities will result in more EPCC activities providing a good opportunity for PT Technic to further grow its business.

We are optimistic on the positive outlook for Malaysia's downstream oil and gas industry on the back of the country's strong refinery and petrochemical industries, natural gas sector and good supporting infrastructure; as well as the commitment by Petronas to spend RM300 billion on capital expenditure (Capex) by 2015. Petronas will spend an additional RM35 billion on matured oil field rejuvenation to maximize their output, which will further enhance domestic downstream activities.

Looking ahead to the coming financial year, the Board is encouraged by the progress of the new business and revenue streams and look forward to seeing positive results in the coming year.

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 SECRETARY

Mr. Ng Yim Kong
(LS 0009297)

AUDITORS

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

SHARE REGISTRAR

Equiniti Services Sdn. Bhd.
(Company No. 11324-H)
Level 8, Manara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 603-2166 0933
Fax: 603-2166 0688

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

c/o **Strategy Corporate Secretariat Sdn. Bhd.**
(Company No. 569484-W)
Unit 07-02, Level 7
Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Tel: 603-7804 5929
Fax: 603-7805 2559

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 CENTRE

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

CORPORATE STRUCTURE

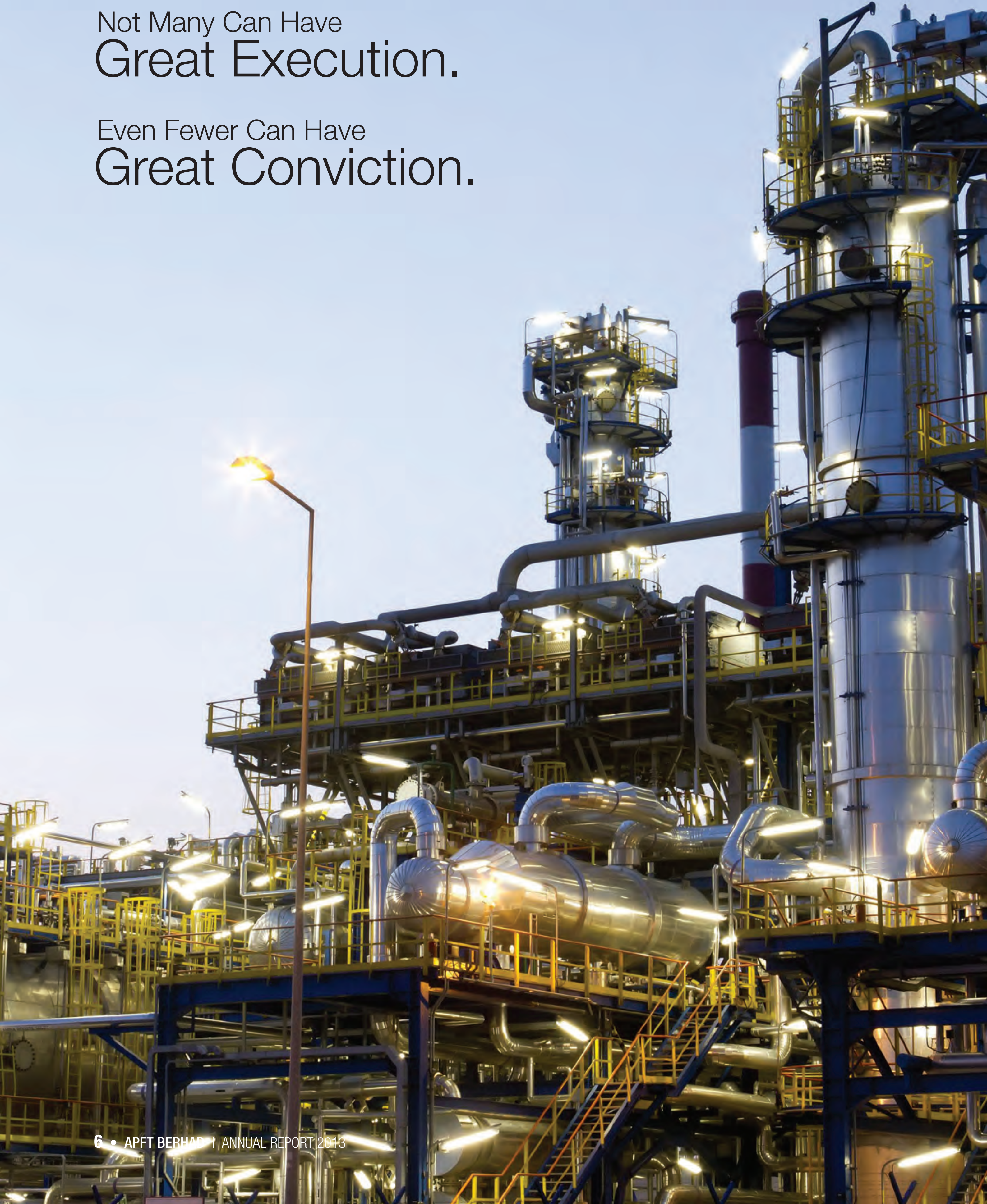
APFT BERHAD

- 100% — **ASIA PACIFIC FLIGHT TRAINING SDN BHD**
  - 100% — APFT ASSETS SDN BHD
  - 100% — APFT MAINTENANCE TRAINING SDN BHD
  - 49% — PT. TRANS ASIA PACIFIC AVIATION TRAINING
- 100% — **APFT ENGINEERING SDN BHD**
- 100% — **APFT SERVICES SDN BHD**
- 100% — **APFT EXPRESS SDN BHD**
- 51% — **PT TECHNIC (M) SDN BHD**

Anyone Can Have
Great Ideas.

Not Many Can Have
Great Execution.

Even Fewer Can Have
Great Conviction.



BUSINESS REVIEW & PROSPECTS

AVIATION TRAINING

The Group continues to implement initiatives to mitigate the downtrend in the Malaysian flight training market. Our new Helicopter Pilot Training Programme has produced two batches of graduates for Jabatan Bomba Dan Penyelamat Malaysia (BOMBA). We will be training more batches for BOMBA and are now in discussion with several other organisations to train their helicopter cadets in Malaysia instead of sending them overseas.

To increase revenue we have expanded into other aviation training areas during this financial year, considering that we have the required facilities. APFT Maintenance Training is now an accredited training centre of the Department of Skills Development to conduct Ground Handling courses. We have already produced more than 100 ground handlers and are now collaborating with Felcra Training & Consultancy (FTC) to train skilled ground handlers.

We have been approved by the Malaysia Qualification Agency and Ministry of Education to conduct Diploma and Advance Diploma in Aircraft Maintenance Engineering. There is a huge demand for aircraft maintenance personnel, be it licensed engineers or certifying technicians. With our status of Part 145 Maintenance, Repair and Overhaul (MRO) in APFT Engineering, we will be able to conduct structured On Job Training (OJT) for our students as well as students from other Approved Training Organisations (ATOs). The market for engineering training is big in this region as the aircraft additions in the Asean region will need expansion of the MROs.

DIVERSIFICATION - PT TECHNIC ACQUISITION CREATES EPPC OPPORTUNITIES

In the 2013 budget, the Government announced that private investment is projected to rise to RM189 billion, with increases in relevant sectors including oil and gas. Private investment grew by 12.7%, partially supported by capacity expansion in the oil and gas sector, with continued expansion in capital spending by public enterprises incorporating the oil and gas industries. On the supply side, mining sector growth was higher on the back of boosted production of natural gas and crude oil.

In 2013 APFT acquired a 51% shareholding for RM30.60 million in PT Technic (M) Sdn Bhd (PT Technic). PT Technic has more than 20 years of specialist experience in fabricating storage tanks and steel structures, piping and mechanical installation work, regularly working in the downstream sector. The company recorded total revenue of RM38.92 million compared to RM5.93 million for the 2013 financial year. The Group will retain PT Technic's experienced management team to manage the business for the next five years.

Oil and gas and petrochemical companies work closely with engineering, procurement, construction and commissioning (EPCC) contractors on upstream and downstream infrastructure. EPCC contractors can design engineering specifications for infrastructure and facilities, and subsequently construct these if required as well as arranging equipment and supplies such as transportation and piping equipment.

PT Technic's future growth plan will see the company enter the associated plant services sector, incorporating specific areas including plant engineering, project management, maintenance, testing and calibration, logistics and quality insurance. With unbilled contracts on hand of RM72.5 million and a tender book of RM7.2 billion, we are optimistic of its positive future contribution to the Group bottom line.

INTERNATIONAL EXPANSION

This year the Group has taken proactive steps to improve our financial position through enhancing our existing business, with measures including International Expansion to reduce our dependence on the domestic market.

Internationally, we have expanded into India via 60% joint venture company Asia Pacific Flight Training Academy Limited (APFTAL) with GMR Hyderabad International Airport Limited, to operate the first Malaysian brand flying school at the Rajiv Ghandi International Airport, Hyderabad. India's Civil Aviation Authority has approved APFTAL to operate as a flight-training organisation and we commenced operations in August 2013.

Our entry into the Indonesia market is through a joint venture company PT Trans Asia Pacific Aviation Training (TAPAT) with PT Transnusa Air Services to operate and maintain a flight-training academy. We are now awaiting the approval from the authorities.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of APFT Berhad will be held at Peninsula 1, Peninsula Residence All Suite Hotel, 10, Jalan Semantan, Bukit Damansara, 50490 Kuala Lumpur, on Monday, 15 September 2014 at 9.30 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period from 1 January 2013 to 31 March 2014 together with the Directors' and Auditors' Reports. **Note B**

2. To approve the payment of Directors' Fees amounting to RM121,500.00 for the financial period from 1 January 2013 to 31 March 2014. **Resolution 1**

3. To re-elect the following Directors:-

   3.1 Encik Nik Din Bin Nik Sulaiman who retires by rotation pursuant to Article 104 of the Company's Articles of Association and, being eligible, offers himself for re-election. **Resolution 2**

   3.2 Mr. Tan Nyap Keong @ Tony Tan who retires by rotation pursuant to Article 104 of the Company's Articles of Association and, being eligible, offers himself for re-election. **Resolution 3**

4. To re-appoint Messrs SJ Grant Thornton, the retiring Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 4**

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications, the following Resolutions:-

5. **Ordinary Resolution**
   Proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 500,000,000 ordinary shares of RM0.20 each to RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each ("Proposed Increase in Authorised Share Capital") **Resolution 5**

   "**THAT** the authorised share capital of the Company be increased from RM100,000,000 (Ringgit Malaysia One Hundred Million only) divided into 500,000,000 ordinary shares of RM0.20 each to RM500,000,000 (Ringgit Malaysia Five Hundred Million only) divided into 2,500,000,000 ordinary shares of RM0.20 each;

   AND THAT any one Director of the Company be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Increase in Authorised Share Capital with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he may consider necessary or expedient to implement, finalise and give full effect to the Proposed Increase in Authorised Share Capital."

6. **Ordinary Resolution**
Authority to Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 6**

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time 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 pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **Special Resolution**
Proposed Amendments to the Memorandum and Articles of Association of the Company (Proposed Amendments) **Resolution 7**

"**THAT** Clause 7 of the Company's Memorandum of Association and Article 4 of the Company's Articles of Association be amended as follows:-

Existing	**Proposed Amendments**
Memorandum of Association	
Clause 7 "The capital of the Company is RM100,000,000.00 divided into 500,000,000 shares of RM0.20 each, with power to increase or reduce its capital and the shares in the original or increased or reduced capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise."	***Clause 7*** "The capital of the Company is RM500,000,000.00 divided into 2,500,000,000 shares of RM0.20 each, with power to increase or reduce its capital and the shares in the original or increased or reduced capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise."
Articles of Association	
Article 4 "*Capital* The share capital of the Company as at the date of the adoption of these Articles as the Articles of Association of the Company is RM100,000,000.00 divided into 500,000,000 shares of Ringgit Malaysia Sen Twenty (RM0.20) each."	***Article 4*** "*Capital* The share capital of the Company as at the date of the adoption of these Articles as the Articles of Association of the Company is RM500,000,000.00 divided into 2,500,000,000 shares of Ringgit Malaysia Sen Twenty (RM0.20) each."

AND THAT any one Director of the Company be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Amendments with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he may consider necessary or expedient to implement, finalise and give full effect to the Proposed Amendments."

ANY OTHER BUSINESS

8. To transact any other business of which due notice shall have been given.

By Order of the Board

NG YIM KONG (LS 0009297)
Company Secretary

Selangor Darul Ehsan
22 August 2014

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 8 September 2014 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 Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan 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 PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2014

1. *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 NOTES ON SPECIAL BUSINESS

1. ***Proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 500,000,000 ordinary shares of RM0.20 each to RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each ("Proposed Increase in Authorised Share Capital")***

   The proposed Ordinary Resolution 5 under item 5 above, if passed, will enable the Company to increase its existing authorised share capital from RM100,000,000 comprising 500,000,000 ordinary shares of RM0.20 each to RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each in order to facilitate any increase in the share capital of the Company in the future, including the following proposals announced to Bursa Malaysia Securities Berhad on 21 July 2014:-

   (a) proposed private placement of up to 118,110,000 new ordinary shares of RM0.20 each in the Company ("Placement Shares"), representing up to approximately 30% of the issued and paid-up share capital of APFT, together with up to 118,110,000 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every one (1) Placement Share subscribed for; and

(b) *proposed establishment of an employee share option scheme 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 APFT and its subsidiaries (excluding dormant subsidiaries).*

2. ***Authority to Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965***

The proposed Ordinary Resolution 6 under item 6, 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 Third Annual General Meeting held on 26 June 2013 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.

3. ***Proposed Amendments to the Memorandum and Articles of Association of the Company***

The proposed Special Resolution 7 under item 7 above, is to seek shareholders' approval for amendments to the Memorandum and Articles of Association of the Company to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

PROFILE OF THE BOARD OF DIRECTORS

DATO' FARUK BIN OTHMAN
Executive Chairman

Faruk bin Othman, a Malaysian, aged 66, was appointed as Executive Chairman on 22 June 2010.

He graduated in Business Studies and completed a post graduate 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 other 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 seven (7) Board Meetings of the Company held during the financial period ended 31 March 2014.

He is a member of the Remuneration Committee.

ARIF BIN FARUK
Executive Director

Arif bin Faruk, a Malaysian, aged 37 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 other 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 seven (7) Board Meetings of the Company held during the financial period ended 31 March 2014.

NIK DIN BIN NIK SULAIMAN

Independent Non-Executive Director

Nik Din bin Nik Sulaiman, a Malaysian, aged 66, 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 is also a Director of Anglo-Eastern Plantations Plc, which is listed on the London Stock Exchange. He sits on the board of several other 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 seven (7) Board Meetings of the Company held during the financial period ended 31 March 2014.

He is 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, a Malaysian, aged 63, 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 is versed in conveyancing, litigation and general law.

At present, Mr. Tan is the Independent Non-Executive Director and Member of Audit Committee of Connectcounty Holdings Bhd.

He is also the Independent Non-Executive Director and is an Audit Committee Member of CVM Minerals Limited (CVM) a public company listed on the Stock Exchange of Hong Kong Limited. He sits on the board of several other limited companies.

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 seven (7) Board Meetings of the Company held during the financial period ended 31 March 2014.

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

DATO AZMI BIN ABDULLAH
Independent Non-Executive Director

Azmi Abdullah, a Malaysian, aged 63, 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) and a Director and a member of Investment Committee of Amanahraya Berhad. He also sits on the board of several other 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 seven (7) Board Meetings of the Company held during the financial period ended 31 March 2014.

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

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 framework.

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. The Board also focuses on reviewing 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 concept of transparency, accountability and integrity forms the foundation to which the Board discharges its duties.

The Board has appropriately delegated specific tasks to three (3) Board Committees; namely, Audit Committee, Nomination Committee and Remuneration 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 Chairmen of the respective Board Committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees.

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 13 to 15 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 shareholders and the Company are safeguarded. In the absence of a named a Senior Independent Director, shareholders shall 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 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 and applied the following recommendation of the Code in assessing the independence and forming composition of the independent directors at the Board:

i. To review annual self-assessment and declaration of independence of its independent directors; and

ii. Subject to Board justification and shareholders' approval, to restrict tenure of independent directors to nine (9) years.

BOARD MEETINGS

The Board meets at least four (4) times a year, with additional meetings convened as necessary. During the financial period ended 31 March 2014, the Board met seven (7) 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 such as performance and operations of the Group, budgets and forecasts and strategic direction, dividend policy, major asset acquisitions and disposals, joint ventures and investments decisions, issue of new shares, related party transactions, financial performance and other important matters, which fall under the purview of the Board.

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 Chairmen of Audit, Remuneration, and Nomination Committees propose to the Board their recommendations for approval. The findings of the Risk Management Committee are also reported to the Board.

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 Secretary, 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 Secretary provides 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 Main Market Listing Requirements of Bursa Securities, Companies Act, the Code and other legal and regulatory developments and their impact on the Group and its businesses.

The Company Secretary attends all Board Meetings and Board Committees meetings. The Company Secretary is 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 who 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. At this meeting, the Nomination Committee:

i. Reviewed the board size and performance of Board members; and

ii. Reviewed and recommended to the Board for re-election of retiring directors in the AGM and adjourned AGM;

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 development 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 period ended 31 March 2014, the Directors have attended individually and collectively various training programmes relating to corporate governance and risk management.

DIRECTORS' REMUNERATION

The Remuneration Committee conducted one (1) meeting to review and deliberate on the remuneration scheme during the financial period ended 31 March 2014. 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 period ended 31 March 2014 are as follows:

Remuneration Categorization	**Executive Directors (RM'000)**	**Non-Executive Directors (RM'000)**
Fees	-	86
Salaries	745	-
Others	406	11
Bonuses	-	-
Benefits-in-kind	-	-
Total	1,151	97

The below table shows the number of Directors of the Company whose total remuneration falls within the following bands:

	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 holds suitable dialogues and briefs various research and investment analysts on the APFT Group's strategies, performance and major developments.

General meetings empower 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. The Board would ensure suitability of venue and timing of general meetings in order to encourage shareholders' participation. 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 right 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 28 to 29.

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 Malaysia Listing Requirements 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 which underpin sustainability and relate these aspects to the interests of the various stakeholders.

This year APFT organised and participated in various activities within its social responsibility outreach and commitment to helping others. These activities which are reported in the Corporate Social Responsibility (CSR) report on page 30 include career education for students.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

I. 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

II. 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 period ended 31 March 2014, 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 period ended 31 March 2014, there was no share buyback undertaken by the Company.

EXERCISE OF OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial period ended 31 March 2014 except for bonus issuance of 78,500,000 warrants on the basis of one warrant for every two shares held, on 19 July 2013.

DEPOSITORY RECEIPT PROGRAM

During the financial period ended 31 March 2014, 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 period ended 31 March 2014, there were no non-audit fees paid to the external auditors of the Company.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not make any release on the profit estimate, forecast or projection for the financial period ended 31 March 2014.

PROFIT GUARANTEE

During the financial period ended 31 March 2014, 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 period ended 31 March 2014.

CHANGE OF FINANCIAL YEAR END

On 6 December 2013, the Company had announced to Bursa Securities that the Company had changed its financial year end from 31 December to 31 March. Accordingly, the next audited financial statements of the Group and the Company shall be for a period of 15 months, made up from 1 January 2013 to 31 March 2014.

Thereafter, the subsequent financial years of the Company shall end on 31 March every year.

VARIATION OF RESULT

There was no material variation between the audited financial statements for the financial period ended 31 March 2014 and the unaudited results announced.

UTILISATION OF PROCEEDS

During the financial period, the Company has completed its private placement of 36,504,000 new ordinary shares of RM0.20 each, representing not more than ten percent (10%) of the enlarged issued and paid-up share capital of the Company.

All the five (5) tranches of the private placement were allotted, issued and listed on the stock exchange.

The status of the utilization of the proceeds from this private placement is as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
Working Capital	6,314	6,202	112
Expenses in relation to the private placement	200	312	(112)
Balance	6,514	6,514	

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; or

(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 Audit Committee 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 Audit Committee 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 Audit Committee 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 period ended 31 March 2014, the Audit Committee carried out the following activities:

i) Reviewed the quarterly results and audited financial statements of the Company and the Group for the financial period ended 31 March 2014;

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.

x) Reviewed the competency and performance of Internal Auditors.

MEETINGS AND ATTENDANCE

A total of six (6) Audit Committee Meetings were held during the financial period ended 31 March 2014. 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	6
Tan Nyap Keong @ Tony Tan	6
Dato Azmi Bin Abdullah	6

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 period ended 31 March 2014 was RM50,000 (2012: RM54,000).

This Audit Committee Report was approved by the Board of Directors on 24 July 2014.

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 – Guideline for Directors of Listed Issuers” issued by the Task Force on Internal Control with the support and endorsement of Bursa.

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 Guideline, 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 in and accepts that business decisions require the incurrence and balancing of risk and return in order to reward the shareholders. 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 APPETITE AND RISK MANAGEMENT PROCESSES

The development and documentation of risk appetite and risk management processes is in progress and the Board will report on the status of the said development in due course.

RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL

The Group’s risk management and execution is primarily driven by the Executive Director and key management. The Executive Director and key management identify, evaluate, manage and report significant risks facing the organisation 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 various operation and financial issues and to serve as a mean of communication and feedback channel for departmental heads.

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 and established approval and authority limits of the top executives and heads of department;

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

(iii) 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;

(iv) 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;

(v) Insurances policies to protect the assets and/or interests of the Group;

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

(vii) Existence of risk management team to enhance its risk management practice; 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, 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 Executive Director 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 24 July 2014.

CORPORATE SOCIAL RESPONSIBILITY

Issues related to social responsibility and sustainability are gaining more and more importance in the business sector. APFT's Corporate Social Responsibility (CSR) is the platform for us to demonstrate our values, social and environmental concerns. As a responsible corporate citizen we genuinely care about and work with the communities in which we operate.

This year APFT participated in various activities within our social responsibility outreach and commitment to helping others. Wherever we are, we strive to be good neighbours. When one of the airlines' A320 burst both left side wheels on landing, leaving 150 passengers stranded on the taxiway in July 2013, APFT's buses rapidly went to the rescue and safely evacuated distressed passengers.

During the APFT's Air Carnival and in conjunction with its 10th graduation, orphans from Yayasan Kebajikan Anak Yatim and Taman Sabariah Kelantan were given the opportunity to experience flying, over Kota Bharu town. We believe that the program will motivate them to aim high in their academic achievements.

APFT also supports outreach career education, hosting a visit by students of Kuala Lumpur's Sek. Men. Kebangsaan Cheras to APFT academy in Kota Bharu. These students, who were researching on career as a pilot, were excited to participate in experiences such as handling a real simulator and interacting with experienced pilots. Students were also exposed to aviation career options such as flight instructors, engineers, air traffic controllers and ground operations crew. Another visit was organised for students from Sek. Men. Bukit Payong, Pokok Sena, Kedah, to observe how cadets are trained to become pilots.

Our CSR with the biggest impact was implemented when we started the Ground Handling Sijil Kemahiran Malaysia (SKM) program. The first two batches of students numbering 48 were put through the 6 months training program without any tuition fee charges. The students were academically and financially challenged children from families in the schools on the outskirts of Kota Bharu. Most of the candidates were from poor families and having SPM results that would not give them access to tertiary education or be gainfully employed. After our 6 months training program they obtained the SKM certificates and are now gainfully employed in the aviation industry as ground handlers with airlines and ground handling companies and would be having a clear career pathway.

Aside from the students under our CSR benefiting from the program as mentioned above, we have created awareness on the opportunity available for those academically weak students. We believe that the impact of our program is not just on the students giving them an opportunity for entering a high paying industry but also for the Industry and country as well. It helps to resolve shortage of workers in the sector, which depends heavily on foreign workers and also supports the government's initiatives to bring up the income of families that are below the poverty level.

FINANCIAL STATEMENTS 2013

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 January 2013 to 31 March 2014.

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 period.

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial period	(19,489,184)	(2,132,975)
Attributable to:		
Owners of the Company	(20,764,098)	(2,132,975)
Non-controlling interests	1,274,914	-
	(19,489,184)	(2,132,975)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period 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 year.

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

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 period end are as follows:

	Number of ordinary shares of RM0.20 each			
Interest in the Company	At 1.1.2013	Bought	Sold	At 31.3.2014
Direct interest				
Dato' Faruk Bin Othman	42,810,000	29,351,898	(22,029,500)	50,132,398
Arif Bin Faruk	15,700,000	-	-	15,700,000
Deemed interest				
Dato' Faruk Bin Othman #	74,861,000	33,162,754	(36,077,000)	71,946,754
Arif Bin Faruk #	99,971,000	62,514,652	(56,106,500)	106,379,152

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.

	Number of warrants			
	As at 1.1.2013	Bonus issue	Exercise/ Sold	As at 31.3.2014
Direct interest				
Dato' Faruk Bin Othman	-	21,105,000	(21,105,000)	-
Arif Bin Faruk	-	7,850,000	(7,850,000)	-
Deemed interest				
Dato' Faruk Bin Othman #	-	36,230,500	(36,230,500)	-
Arif Bin Faruk #	-	48,485,500	(48,485,500)	-

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

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

DIRECTORS' BENEFITS

During and at the end of the financial period, 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 year, no Director has received or become entitled to receive any benefits (other than those disclosed in Notes 27, 30 and 31 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 period, the Company increased its authorised ordinary share capital from RM50,000,000 to RM100,000,000 through the creation of 250,000,000 ordinary shares of RM0.20 each.

During the financial period, the Company issued:

(a) 54,585,152 new ordinary shares of RM0.20 each at RM0.2748 for a total consideration of RM15,000,000 pursuant to the settlement of debts owing to Director and creditor;

(b) 74,963,609 new ordinary shares of RM0.20 each at RM0.2748 as partial discharge of the purchase consideration of RM20,600,000 for an acquisition of a subsidiary company during the financial period;

(c) 8,032,000 new ordinary shares of RM0.20 each at RM0.249 through a private placement for a total cash consideration of RM1,999,968;

(d) 4,149,000 new ordinary shares of RM0.20 each at RM0.241 through a private placement for a total cash consideration of RM999,909;

(e) 10,000,000 new ordinary shares of RM0.20 each at RM0.204 through a private placement for a total cash consideration of RM2,040,000.

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

There was no issuance of debentures during the financial period.

WARRANTS

During the financial period, 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 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 period and the total number of warrants that remain unexercised were 78,500,000 as at the reporting date.

Details of warrants issued to Directors are disclosed in the section on Directors' interests in this report.

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 period 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 period.

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 period 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;

In the opinion of the Directors:-

(b) the results of the Group's and of the Company's operations during the financial period 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 period 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 period in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial period 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
24 July 2014

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 40 to 96 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 2014 and of their financial performance and cash flows for the financial period from 1 January 2013 to 31 March 2014.

In the opinion of the Directors, the supplementary information set out on page 97 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
24 July 2014

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 40 to 96 and the supplementary information set out on page 97 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)
24 July 2014) ....

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 2014 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 period from 1 January 2013 to 31 March 2014, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 96.

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 are 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 2014 and of their financial performance and cash flows for the financial period from 1 January 2013 to 31 March 2014 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 97 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

HOOI KOK MUN
(NO: 2207/01/16 (J))
PARTNER

Kuala Lumpur
24 July 2014

APFT BERHAD
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	Group 31.3.2014 RM	Group 31.12.2012 RM	Company 31.3.2014 RM	Company 31.12.2012 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	46,547,612	43,869,959	-	-
Investment in subsidiary companies	5	-	-	57,708,936	27,801,295
Investment in an associate company	6	1,634,640	-	-	-
Deferred costs	7	659,642	1,178,068	-	-
Available-for-sale financial assets	8	7,088,586	1,698,490	4,134,000	-
Fixed deposits with a licensed bank	9	507,213	507,213	-	-
Goodwill on consolidation	10	28,631,027	20,191	-	-
Total non-current assets		85,068,720	47,273,921	61,842,936	27,801,295
Current assets					
Inventories	11	1,979,534	1,704,443	-	-
Amount due from contract customers	12	4,201,690	-	-	-
Trade receivables	13	14,516,710	10,330,434	-	-
Other receivables	14	1,910,370	1,499,585	5,764	3,858
Amount due from non-controlling interests	15	2,457,451	-	-	-
Amount due from subsidiary companies	5	-	-	20,590,824	7,253,804
Tax recoverable		84,668	-	-	-
Cash and bank balances		3,284,744	546,206	7,468	3,999
Total current assets		28,435,167	14,080,668	20,604,056	7,261,661
Total assets		113,503,887	61,354,589	82,446,992	35,062,956

	Note	Group 31.3.2014 RM	Group 31.12.2012 RM	Company 31.3.2014 RM	Company 31.12.2012 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	61,745,952	31,400,000	61,745,952	31,400,000
Reserves	17	15,614,514	6,122,561	15,614,514	6,122,561
Merger deficit	18	(20,999,998)	(20,999,998)	-	-
(Accumulated losses)/ Unappropriated profits		(5,880,248)	14,883,850	(4,989,165)	(2,856,190)
		50,480,220	31,406,413	72,371,301	34,666,371
Non-controlling interests	5	3,186,072	-	-	-
Total equity		53,666,292	31,406,413	72,371,301	34,666,371
Non-current liabilities					
Deferred tax liabilities	19	133,555	-	-	-
Borrowings	20	7,426,519	10,186,088	-	-
Hire purchase creditors	21	1,877,860	1,659,180	-	-
Total non-current liabilities		9,437,934	11,845,268	-	-
Current liabilities					
Amount due to contract customers	12	764,110	-	-	-
Trade payables	22	9,158,583	1,824,279	-	-
Other payables	23	15,713,939	2,236,035	4,637,643	90,585
Amount due to non-controlling interests	15	89,991	-	-	-
Amount due to an associate company	6	1,190,390	-	-	-
Amount due to a Director	24	15,507,065	6,969,387	5,438,048	306,000
Deferred income	25	864,174	1,742,083	-	-
Borrowings	20	6,060,754	4,894,405	-	-
Hire purchase creditors	21	715,688	429,376	-	-
Tax payable		334,967	7,343	-	-
Total current liabilities		50,399,661	18,102,908	10,075,691	396,585
Total liabilities		59,837,595	29,948,176	10,075,691	396,585
Total equity and liabilities		113,503,887	61,354,589	82,446,992	35,062,956

APFT BERHAD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2014

		Group		Company	
	Note	1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012	1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012
Revenue	26	33,675,572	22,420,385	1,759,890	1,032,563
Cost of services		(36,010,088)	(17,513,904)	-	-
Gross (loss)/profit		(2,334,516)	4,906,481	1,759,890	1,032,563
Other income		883,566	167,323	13,175	8,000
Marketing expenses		(577,033)	(379,216)	-	-
Administration expenses		(10,282,598)	(7,274,408)	(3,413,681)	(1,357,190)
Other expenses		(3,447,018)	(854,737)	(492,359)	-
Finance costs		(2,857,191)	(1,426,236)	-	-
Loss before tax	27	(18,614,790)	(4,860,793)	(2,132,975)	(316,627)
Tax expense	28	(874,394)	(12,657)	-	-
Net loss/Total comprehensive loss for the financial period/year		(19,489,184)	(4,873,450)	(2,132,975)	(316,627)
Profit/(Loss) for the financial period/year attributable to:					
Owners of the Company		(20,764,098)	(4,873,450)		
Non-controlling interests		1,274,914	-		
Net loss for the financial period/year		(19,489,184)	(4,873,450)		
Total comprehensive income/(loss) for the finanical period/year attributable to:					
Owners of the Company		(20,764,098)	(4,873,450)		
Non-controlling interests		1,274,914	-		
Total comprehensive loss for the financial period/year		(19,489,184)	(4,873,450)		
Loss per share	29				
Basic loss per share (sen)		10.89	3.10		
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 PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2014

	Attributable to owners of the Company								
		Non-distributable				Distributable			
	Share capital RM	Share premium RM	Warrants reserve RM	Discount on shares RM	Merger deficit RM	Unappropriated profits/ (Accumulated) losses RM	Total RM	Non-controlling interests RM	Total RM
Group									
Balance as at 1 January 2012	31,400,000	6,122,561	-	-	(20,999,998)	19,757,300	36,279,863	-	36,279,863
Total comprehensive loss for the financial year	-	-	-	-	-	(4,873,450)	(4,873,450)	-	(4,873,450)
Balance as at 31 December 2012	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
Total comprehensive loss 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
Company									
Balance as at 1 January 2012	31,400,000	6,122,561	-	-	-	(2,539,563)	34,982,998	-	34,982,998
Total comprehensive loss for the financial year	-	-	-	-	-	(316,627)	(316,627)	-	(316,627)
Balance as at 31 December 2012	31,400,000	6,122,561	-	-	-	(2,856,190)	34,666,371	-	34,666,371
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

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

APFT BERHAD
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2014

	Note	Group 1.1.2013 to 31.3.2014	Group 1.1.2012 to 31.12.2012	Company 1.1.2013 to 31.3.2014	Company 1.1.2012 to 31.12.2012
OPERATING ACTIVITIES					
Loss before tax		(18,614,790)	(4,860,793)	(2,132,975)	(316,627)
Adjustments for :-					
Amortisation of deferred costs		73,946	-	-	-
Bad debts written off		136,650	-	-	-
Deferred costs written off		444,480	-	-	-
Depreciation		5,500,000	4,137,522	-	-
Loss/(Gain) on disposal of property, plant and equipment		258,315	(17,663)	-	-
Impairment loss on trade/ other receivables		1,575,135	92,770	-	-
Impairment loss on investment in a subsidiary company		-	-	492,359	-
Interest income		(5,277)	(780)	(1,175)	-
Interest expenses		2,857,191	1,426,236	-	-
Unrealised gain on foreign exchange		(32,964)	-	-	-
Waiver of debts		(1,103)	-	-	-
Operating (loss)/profit before working capital changes		(7,808,417)	777,292	(1,641,791)	(316,627)
Changes in working capital :-					
Inventories		(275,091)	302,077	-	-
Contract customers		(1,379,821)	-	-	-
Receivables		(2,537,375)	3,789,633	(1,906)	12,214
Payables		18,569,113	516,025	413,058	(69,604)
Non-controlling interests		907,443	-	-	-
Deferred income		(877,909)	(1,191,121)	-	-
Cash generated from/(used in) operations		6,597,943	4,193,906	(1,230,639)	(374,017)
Tax paid		(448,216)	(12,657)	-	-
Interest paid		(1,952,877)	(1,426,236)	-	-
Interest received		5,277	780	1,175	-
Net cash from/(used in) operating activities		4,202,127	2,755,793	(1,229,464)	(374,017)

	Note	Group 1.1.2013 to 31.3.2014	Group 1.1.2012 to 31.12.2012	Company 1.1.2013 to 31.3.2014	Company 1.1.2012 to 31.12.2012
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	A	(6,899,119)	(1,471,263)	-	-
Acquisition of a subsidiary company, net of cash acquired	5	(9,272,733)	-	(10,000,000)	-
Acquisition of an associate company, net of cash acquired	6	(1,634,640)	-	-	-
Acquisition of other investment		(1,256,096)	(1,698,490)	-	-
Additional investment in a subsidiary company		-	-	-	(399,998)
Payment for deferred costs		-	(182,633)	-	-
Proceeds from disposal of property, plant and equipment		459,564	400,001	-	-
Net cash used in investing activities		(18,603,024)	(2,952,385)	(10,000,000)	(399,998)
FINANCING ACTIVITIES					
Advances from/(Repayment to) a Director		13,987,399	(1,061,384)	5,132,048	-
Repayment of borrowings		(3,934,944)	(1,735,788)	-	-
Drawndown of borrowings		892,117	892,117	-	-
Repayment of hire purchase creditors		(683,039)	(228,266)	-	-
Net advances from subsidiary companies		-	-	1,862,980	775,666
Net advances from an associate company		1,190,390	-	-	-
Proceeds from issuance of shares, net of share issuance expenses		4,237,905	-	4,237,905	-
Net cash from/(used in) financing activities		15,689,828	(2,133,321)	11,232,933	775,666
CASH AND CASH EQUIVALENTS					
Net increase/(decrease)		1,288,931	(2,329,913)	3,469	1,651
At beginning of financial period/year		(1,952,393)	377,520	3,999	2,348
At end of financial period/year	B	(663,462)	(1,952,393)	7,468	3,999

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 RM7,332,615 (31.12.2012: RM2,939,736) of which RM433,496 (31.12.2012: RM1,468,473) were acquired by means of hire purchase arrangements. Cash payments of RM6,899,119 (31.12.2012: RM1,471,263) 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	
	31.3.2014 RM	31.12.2012 RM	31.3.2014 RM	31.12.2012 RM
Cash and bank balances	3,284,744	546,206	7,468	3,999
Bank overdrafts (Note 20)	(3,948,206)	(2,498,599)	-	-
	(663,462)	(1,952,393)	7,468	3,999

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

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 Unit 07-02, Level 7, Persoft Tower, 6B, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan. 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 period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 24 July 2014.

2. BASIS OF PREPARATION

2.1 Going concern

As at 31 March 2014, the Group had incurred a net loss of RM19,489,184 and its total current liabilities exceeded its total current assets by RM21,964,494.

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 support from Directors 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.

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")

Except for the changes below, 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 period, the Group and the Company adopted MFRSs and amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2013.

Initial application of the standards and amendments to the standards did not have material impact to the financial statements. The nature and the impact of these new standards and amendments are described below:-

<u>Amendments to MFRS 101 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income</u>

The Group and the Company adopted amendments to MFRS 101 on 1 July 2012. The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified or recycled to profit or loss at a future point in time (e.g. gain or loss on available-for-sale financial assets) have to be presented separately from items that will not be reclassified or recycled to profit or loss at a future point in time (e.g. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's and the Company's financial position or performance.

<u>Amendments to MFRS 101 Presentation of Financial Statements</u>
(as part of the Annual Improvements to MFRSs 2009 – 2011 Cycle issued in July 2012)

The Annual Improvements to MFRSs 2009 – 2011 have made a number of amendments to MFRSs. The amendments that are relevant to the Group and the Company are the amendments to MFRS 101 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

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 and Interpretation effective 1 January 2014 :</u>

MFRS 10	Consolidated Financial Statements: Investment Entities
MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
MFRS 127	Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Amendments to MFRSs effective 1 July 2014:

MFRS 119	Defined Benefit Plans: Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

Amendments to MFRSs effective 1 January 2016:

MFRS 11	Accounting for Acquisition of Interests in Joint Operations
MFRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation
MFRS 138	Intangible Assets: Clarification of Acceptable Methods of Amortisation

MFRS effective 1 January 2016:

MFRS 14	Regulatory Deferral Accounts

MFRSs effective date to be determined:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

MFRS 11, 14, 119, 139 and IC Interpretation 21 are not applicable to the Group's operations.

MFRS 11, 14, 119, 138, 139 and IC Interpretation 21 are not applicable to the Company's operations.

The initial application of the above applicable standards are not expected to have any financial impacts to the financial statements upon the first adoption, except for:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories: fair value and amortised cost, determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of a fair value change due to an entity's own risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting MFRS 9.

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year 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 2014, 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 1% (31.12.2012: 1%) variance in the Group's loss for the financial period/year.

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. 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 Note 5, 13, 14 and 15 to the Financial Statements.

Construction contracts

The carrying amount of construction contracts of RM3,437,580 (31.12.2012: Nil) 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 period/year 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 transactions and translations

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.

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. Building in progress is stated at cost and is not depreciated until it is completed and ready for their intended use. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold buildings 2%	
Leasehold buildings	10%
Plant and machinery, moveable cabins and tool implements	10% - 16%
Computers	20%
Computer software	10%
Electrical installation and renovation	10%
Air-conditioner, signboard, furniture & fittings	10%
Motor vehicles and crane	20%
Flying equipment and office equipment	10%
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 10 years after the completion of sponsored students' course as the sponsored students are bound for 10 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, trade and most of the other receivables, amount due from subsdiary companies 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 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, 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.

3.8 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 overdraft sand 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.

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.

3.10.2 **Financial assets**

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.

Financial assets carried at amortised cost

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 todate 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.

The 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 period and prior years' 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").

3.18 **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	Building in progress RM	Plant and machinery, moveable cabins and tools implements RM	Computers RM	Computer software RM	Electrical installation and renovation RM	Air conditioner, signboard, 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 1.1.2012	1,815,000	9,425,968	246,032	-	1,047,408	-	1,160,764	627,648	1,247,329	500,273	2,417,927	312,840	34,896,093	3,131,249	56,828,531
Additions	-	690,000	-	-	215,275	-	55,580	87,151	212,000	13,690	1,410,574	35,001	-	220,465	2,939,736
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(392,812)	-	(392,812)
Transfer	-	-	(246,032)	-	-	-	-	-	-	-	-	-	-	-	(246,032)
As at 31.12.2012	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	53,731	18,462	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	1,555,812	18,462	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
Accumulated depreciation															
As at 1.1.2012	21,358	3,112,835	-	-	367,407	-	562,145	282,325	247,183	173,899	1,137,670	61,590	2,960,172	2,193,014	11,119,598
Charge for the financial year	36,300	1,029,315	-	-	193,561	-	118,245	65,862	259,085	50,736	253,548	34,784	1,384,627	724,277	4,150,340
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(10,474)	-	(10,474)
As at 31.12.2012	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	272,387	1,231	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	820,417	1,231	829,383	438,951	902,307	322,664	1,869,781	139,854	5,983,347	3,592,093	20,542,375
Net carrying amount															
31.3.2014	1,711,967	4,687,175	-	1,186,731	735,395	17,231	419,315	295,679	1,224,313	775,513	1,958,720	207,987	32,159,937	1,167,649	46,547,612
31.12.2012	1,757,342	5,973,818	-	-	701,715	-	535,954	366,612	953,061	289,328	2,437,283	251,467	30,168,956	434,423	43,869,959

Motor vehicles, flying equipment, plant and machinery and simulators with net carrying amount of RM2,407,766 (31.12.2012: RM2,285,615) are financed under hire purchase arrangements.

Property, plant and equipment with net carrying amount of RM35,758,295 (31.12.2012: RM37,984,834) have been pledged to licensed banks for banking facilities granted to a subsidiary company.

5. SUBSIDIARY COMPANIES

	Company 31.3.2014 RM	Company 31.12.2012 RM
Unquoted shares, at cost		
At beginning of financial period/year	27,801,295	27,401,297
Addition	30,600,000	399,998
Disposal	(200,000)	-
At end of financial period/year	58,201,295	27,801,295
Less: Impairment loss		
At beginning of financial period/ year	-	-
Recognised	(492,359)	-
At end of financial period/ year	(492,359)	-
	57,708,936	27,801,295

Details of the subsidiary companies which are incorporated in Malaysia are as follows:-

Name of company	Effective interest 31.3.2014 %	Effective interest 31.12.2012 %	Principal activities
Asia Pacific Flight Training Sdn. Bhd.	100	100	Flight education and training and investment holding
APFT Maintenance Training Sdn. Bhd.	-	100	Maintenance training service for aviation industry
APFT Engineering Sdn. Bhd.	100	100	Maintenance, repair and overhaul services for aircrafts
APFT Services Sdn. Bhd.	100	100	Renting of pilot training aircraft
APFT Express Sdn. Bhd.	100	100	Dormant
PT Technic (M) Sdn. Bhd.*	51	-	Mechanical engineering works for oil, gas and petrochemical industries
Subsidiary companies of Asia Pacific Flight Training Sdn. Bhd.			
APFT Assets Sdn. Bhd.	100	100	Dormant
APFT Maintenance Training Sdn. Bhd.	100	-	Maintenance training service for aviation industry

* Not audited by SJ Grant Thornton

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

The summary of financial information before intra-group elimination for the Group's subsidiary company that has non-controlling interests is as below:

	PT Technic (M) Sdn. Bhd.	
	31.3.2014	31.12.2012
Group	RM	RM
Carrying amount of NCI	3,186,072	-
Profit allocated to NCI	1,274,914	-
Financial position as at reporting date		
Non-current assets	2,074,589	-
Current assets	20,612,260	-
Non-current liabilities	(812,755)	-
Current liabilities	(15,371,906)	-
Net assets	6,502,188	-
Summary of financial performance for the financial period/ year ended		
Profit for the financial period/year	2,601,866	-
Other comprehensive income for the financial period/year	-	-
Total comprehensive income for the financial period/year	2,601,866	-
Included in the total comprehensive income is:		
Revenue	13,707,043	-
Summary of cash flows for the financial period/ year ended		
Net cash from operating activities	4,194,587	-
Net cash used in investing activities	(1,579,560)	-
Net cash used in financing activities	(93,202)	-
Net increase in cash and cash equivalents	2,521,825	-

(ii) **Acquisition of subsidiary company**

31.3.2014

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.

31.12.2012

On 21 September 2012, Asia Pacific Flight Training Sdn. Bhd. ("APFTSB"), a wholly-owned subsidiary company of the Company, acquired 2 ordinary shares of RM1.00 each in APFT Assets Sdn. Bhd. ("AASB") representing 100% of equity interest in AASB for a cash consideration of RM2.00. On 8 October 2012, APFTSB subscribed 1,999,998 new ordinary shares of RM1.00 each in AASB for cash subscription of RM1,999,998.

Fair value of identifiable assets acquired and liabilities assumed

	Group	
	31.3.2014	31.12.2012
	RM	RM
Property, plant and equipment	1,562,917	-
Amount due from contract customers	2,057,759	-
Trade receivables	2,619,537	-
Other receivables	1,117,867	-
Amount due from NCI	4,025,872	-
Tax recoverable	49,667	-
Cash and bank balances	727,267	2
Trade payables	(3,202,544)	-
Other payables	(3,552,516)	(2,383)
Amount due to NCI	(750,969)	-
Hire purchase creditors	(754,535)	-
Amount due to a Director	-	(5,567)
Total identifiable assets and liabilities	3,900,322	(7,948)

Net cash outflow arising from acquisition of a subsidiary company

	Group	
	31.3.2014	31.12.2012
	RM	RM
Purchase consideration settled in cash	10,000,000	2
Cash and bank balances	(727,267)	(2)
	9,272,733	-

Goodwill arising from business combination

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

	Group	
	31.3.2014	31.12.2012
	RM	RM
Fair value of consideration transferred	30,600,000	2
Fair value of identifiable assets acquired and liabilities assumed	(3,900,322)	7,948
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	1,911,158	-
Goodwill	28,610,836	7,950

Acquisition-related costs

The Group incurred acquisition-related costs of RM389,284 related to external legal fees and due diligence costs. RM123,557 has been included in administrative expenses in the profit or loss whereas the balance of 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 RM13,707,043 (31.12.2012: Nil) and RM2,601,866 (31.12.2012: RM7,307) to the Group's revenue and net profit for the financial period/ year respectively. If the combination had taken place at the beginning of the financial period, the Group's revenue and net loss for the financial period from its operations would have been RM58,893,426 and RM19,847,755 respectively. There was no significant impact to the Group's revenue and net loss for the financial year for the acquisition that took place in the previous financial year.

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

Company

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

6. ASSOCIATE COMPANY

	Group	
	31.3.2014	31.12.2012
	RM	RM
At cost		
Unquoted shares	1,634,640	-

Details of the associate company are as follow:-

Name of company	Country of incorporation	Effective interest 31.3.2014 %	Effective interest 31.12.2012 %	Principal activities
PT Trans Asia Pacific Aviation Training *	Indonesia	49	-	Flight education and training

* Not audited by SJ Grant Thornton

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

	PT Trans Asia Pacific Aviation Training RM
Financial position as at reporting date	
Current assets	3,906,191

	PT Trans Asia Pacific Aviation Training RM
Summary of financial performance for the financial period ended 31 March 2014	
Net loss/Total comprehensive loss for the financial period	(265,009)

Amount due to an associate company

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

7. **DEFERRED COSTS**

	Group	
	31.3.2014	31.12.2012
	RM	RM
Deferred costs	1,178,068	1,165,250
Add: Depreciation capitalised	-	12,818
Less: Written off	(444,480)	-
	733,588	1,178,068
Less: Amortisation	(73,946)	-
	659,642	1,178,068

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

	Group	
	31.3.2014	31.12.2012
	RM	RM
Unquoted investments		
- Equity instruments	7,088,586	1,698,490

	Company	
	31.3.2014	31.12.2012
	RM	RM
Unquoted investment		
- Equity instrument	4,134,000	-

9. **FIXED DEPOSITS WITH A LICENSED BANK**

Group

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

The weighted average effective interest rates range from 2.40% to 3.20% (31.12.2012: 3.07% to 3.30%) per annum.

10. GOODWILL ON CONSOLIDATION

	Group	
	31.3.2014	31.12.2012
	RM	RM
At beginning of financial period/year	20,191	12,241
Arising from acquisition of a subsidiary company	28,610,836	7,950
At end of financial period/year	28,631,027	20,191

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	
	31.3.2014	31.12.2012
	RM	RM
Flight related education and training industry	20,191	20,191
Engineering work for oil and gas industry	28,610,836	-
	28,631,027	20,191

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:

- Cash flows were projected based on actual operating results and a 5-year business plan.
- Revenue was projected at anticipated revenue growth of approximately 79%.
- Staff costs were projected at annual increase of approximately 20% per annum.
- Administration expenses were projected at annual increase of approximately 40% to 60% per annum.
- A discount rate of 8% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the Company plus a reasonable risk premium.

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	
	31.3.2014	31.12.2012
	RM	RM
Materials for students	490,261	248,818
Consumables	1,489,273	1,455,625
	1,979,534	1,704,443

12. **AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS**

	Group	
	31.3.2014	31.12.2012
	RM	RM
Contract costs incurred to date	32,308,801	-
Attributable profits recognised to date	6,734,162	-
	39,042,963	-
Less : Progress billings issued to date	(35,605,383)	-
	3,437,580	-
Amount due from contract customers	4,201,690	-
Amount due to contract customers	(764,110)	-
	3,437,580	-

The contract costs incurred to date on construction contracts include the following charges made during the financial period:-

	Group	
	31.3.2014	31.12.2012
	RM	RM
Staff related expenses	3,353,361	-
Defined contribution plan	192,940	-

13. TRADE RECEIVABLES

	Group 31.3.2014 RM	Group 31.12.2012 RM
Trade receivables	16,252,969	10,354,908
Less: Written off	(136,650)	-
	16,116,319	10,354,908
Less: Impairment loss		
At beginning of financial period/year	(24,474)	(24,474)
Impairment loss recognised	(1,575,135)	-
At end of financial period/year	(1,599,609)	(24,474)
	14,516,710	10,330,434

Trade receivables are non-interest bearing and are generally on 14 to 60 days (31.12.2012: 14 to 45 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

14. OTHER RECEIVABLES

	Group 31.3.2014 RM	Group 31.12.2012 RM
Non-trade receivables	853,525	458,988
Less: Impairment loss		
At beginning of period/year	(92,770)	-
Impairment loss recognised	-	(92,770)
At end of period/year	(92,770)	(92,770)
	760,755	366,218
Deposits	904,667	971,092
Advances to sub-contractors	100,840	-
Prepayments	144,108	162,275
	1,910,370	1,499,585
Deposits	1,000	1,000
Prepayments	4,764	2,858
	5,764	3,858

15. **AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS**

Group

Amounts due from/to non-controlling interests are trade in nature, unsecured, bear no interest and have a credit term of 45 days.

16. **SHARE CAPITAL**

	Group and Company	
	Number of shares	Amount
	Units	RM
Authorised:-		
Ordinary shares of RM0.20 each		
At 1 January/31 December 2012	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

	Group and Company	
	Number of shares	Amount
	Units	RM
Issued and fully paid:-		
Ordinary shares of RM0.20 each		
At 1 January/31 December 2012	157,000,000	31,400,000
Issued during the period/year:		
- Settlement of debts	54,585,152	10,917,030
- Acquisition	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

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 and Company	
	31.3.2014	31.12.2012
	RM	RM
Non-distributable:-		
Share premium		
At beginning of financial period/year	6,122,561	6,122,561
Arising from issuance of shares	10,293,925	-
Share issuance expenses	(801,972)	-
At end of period/year	15,614,514	6,122,561
Warrants reserve		
At beginning of financial period/year	-	-
Bonus issue of warrants	19,232,500	-
At end of fiancial period/year	19,232,500	-

	Group and Company	
	31.3.2014	31.12.2012
	RM	RM
Discount on shares		
At beginning of financial period/year	-	-
Bonus issue of warrants	(19,232,500)	-
At end of financial period/year	(19,232,500)	-
	15,614,514	6,122,561

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 at using Black-Scholes Option Pricing Model.

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	
	31.3.2014	31.12.2012
	RM	RM
At beginning of financial period/year	-	-
Transferred to profit or loss (Note 28)	133,555	-
At end of financial period/year	133,555	-

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

	Group	
	31.3.2014	31.12.2012
	RM	RM
Property, plant and equipment	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	
	31.3.2014	31.12.2012
	RM	RM
Carrying amount of property, plant and equipment in excess of their tax base	27,407,000	24,536,000
Unabsorbed investment tax allowances	(25,193,000)	(21,986,000)
Unabsorbed tax losses	(14,884,000)	(1,690,000)
Unutilised capital allowances	(16,912,000)	(9,117,000)
	(29,582,000)	(8,257,000)

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. BORROWINGS

	Group 31.3.2014 RM	Group 31.12.2012 RM
Secured		
Current		
Term loans (1)	1,992,879	1,756,007
Term loan (2)	-	195,996
Term loan (3)	81,585	77,200
Term loans (4)	38,084	26,486
Bank overdrafts	3,948,206	2,498,599
Bankers' acceptance	-	340,117
	6,060,754	4,894,405
Non-current		
Term loans (1)	5,721,126	8,291,332
Term loan (2)	-	33,014
Term loan (3)	467,987	578,572
Term loans (4)	1,237,406	1,283,170
	7,426,519	10,186,088
	13,487,273	15,080,493
Repayment terms:		
- not later than 1 year	6,060,754	4,894,405
- between 1 to 2 years	2,290,999	2,050,291
- between 3 to 5 years	3,720,900	6,266,332
- later than 5 years	1,414,620	1,869,465
	13,487,273	15,080,493

Term loans (1)

Term loans obtained bear interest at 1.75% (31.12.2012: 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) Deed of assignment for contract payments;
(b) Supplemental Debenture;
(c) Debenture (with negative pledge provision);
(d) Charge over assets financed by borrower;
(e) Security deposit with amount equivalent to the total of the 2 installments each of Murabahah Tawarruq ("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;
(f) Joint and several guarantee by the Company's Directors;
(g) Security deposit with amount equivalent to the total of the 2 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
(h) Corporate guarantee by a company in which a Director has interest.

Term loan (2)

Term loan obtained bears interest at 3.10% (31.12.2012: 3.10%) per annum, repayable over 60 months and is secured by the followings:-

(a) Joint and several guarantee and indemnity agreement by the Company's Directors and a company in which a Director has interest;
(b) Memorandum of Deposits; and
(c) Specific debenture.

Term loan (3)

Term loan obtained bears interest at 2.20% (31.12.2012: 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 (4)

Term loans obtained bear interest rangie from 1.50% to 1.70% (31.12.2012: 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 and bankers' acceptance

Bank overdrafts obtained bears interest range from 1.50% to 1.75% (31.12.2012: 1.75%) above bank's base lending rate per annum.

Bankers' acceptance obtained bears interest at Nil (31.12.2012: 1.75%) per annum.

Bank overdrafts and bankers' acceptance 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.

21. HIRE PURCHASE CREDITORS

	Group 31.3.2014 RM	Group 31.12.2012 RM
Minimum lease payments		
- not later than 1 year	870,128	568,287
- between 1 to 2 years	982,018	557,259
- between 3 to 5 years	971,322	1,313,104
- later than 5 years	119,916	12,894
	2,943,384	2,451,544
Less : Interest-in-suspense	(349,836)	(362,988)
Present value of hire purchase creditors	2,593,548	2,088,556
Present value of hire purchase creditors		
- not later than 1 year	715,688	429,376
- between 1 to 2 years	900,991	453,819
- between 3 to 5 years	862,270	1,201,205
- later than 5 years	114,599	4,156
	1,877,860	1,659,180
	2,593,548	2,088,556

Hire purchase creditors bear interest ranging from 2.69% to 6.79% (31.12.2012: 2.69% to 4.00%) per annum.

22. TRADE PAYABLES

Trade payables are non-interest bearing. The normal trade credit terms granted by the trade payables ranging from 30 to 60 days (31.12.2012: 30 to 60 days).

The currency exposure profile of trade payables is as follows:-

	Group 31.3.2014 RM	Group 31.12.2012 RM
Ringgit Malaysia	9,158,583	1,767,343
US Dollar	-	56,936
	9,158,583	1,824,279

23. OTHER PAYABLES

	Group	
	31.3.2014	31.12.2012
	RM	RM
Other payables	4,888,933	250,814
Deposits received	875,352	1,341,632
Accruals	3,772,989	643,589
Advances from contract customers	6,176,665	-
	15,713,939	2,236,035

	Company	
	31.3.2014	31.12.2012
	RM	RM
Other payables	4,424,794	25,837
Accruals	212,849	64,748
	4,637,643	90,585

Included in other payables of the Group and of the Company amounting to 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.

24. AMOUNT DUE TO A DIRECTOR

Group and Company

Amount due to a Director is unsecured, bears interest at 8.35% (31.12.2012: Nil) per annum and repayable on demand.

25. DEFERRED INCOME

Group

Deferred income represents deferred course fees income.

26. REVENUE

	Group		Company	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Management fees	-	-	1,759,890	1,032,563
Course fees	19,860,032	22,408,982	-	-
Rendering of services	3,671	11,403	-	-
Rental income	104,826	-	-	-
Contract revenue	13,707,043	-	-	-
	33,675,572	22,420,385	1,759,890	1,032,563

27. LOSS BEFORE TAX

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

	Group		Company	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Audit fees				
- Statutory audit	98,500	87,000	30,000	25,000
- other external auditor	50,000	-	-	-
- other services	70,000	6,000	70,000	6,000
Amortisation of deferred costs	73,946	-	-	-
Bad debts written off	136,650	-	-	-
Impairment loss on trade/ other receivables	1,575,135	92,770	-	-
Deferred costs written off	444,480	-	-	-
Depreciation	5,500,000	4,137,522	-	-
Directors' fees	86,400	-	86,400	-
Directors' remuneration	1,375,103	906,345	1,173,503	762,075
Impairment loss on investment in subsidiary company	-	-	492,359	-
Interest expenses				
- term loans	1,314,682	1,224,782	-	-
- hire purchase	210,809	78,822	-	-
- bank overdrafts	427,386	121,791	-	-
- bankers' acceptance	-	841	-	-
- Director	904,314	-	-	-
Realised gain on foreign exchange	(62,964)	(9,331)	-	-
Unrealised gain on foreign exchange	(32,964)	-	-	-
Rental expenses:				
- aircraft	1,718,086	587,230	-	-

	Group		Company	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
- condominium	114,900	118,745	-	-
- equipment	1,545,389	-	-	-
- hangar	35,075	7,173	-	-
- land	762,395	263,749	-	-
- land for skidtank	7,500	5,500	-	-
- office	625,780	498,351	-	-
- office equipment	35,140	30,517	-	-
- motor vehicles	10,774	-	-	-
Bad debts recovered	-	(15,522)	-	-
Loss/(Gain) on disposal of property, plant and equipment	258,315	(17,663)	-	-
Rental income	(518,650)	(32,600)	-	-
Interest income	(5,277)	(780)	(1,175)	-
Waiver of debts	(1,103)	-	-	-

The details of remuneration receivable by Directors of the Group and of the Company during the financial period/year were as follows:-

	Group		Company	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Executive:-				
Salaries and other emoluments	1,230,703	813,115	1,050,703	682,115
Defined contribution plan	121,500	79,920	99,900	66,960
Other benefits	22,900	13,310	22,900	13,000
	1,375,103	906,345	1,173,503	762,075
Non-executive:-				
Directors' fees	86,400	-	86,400	-
	1,461,503	906,345	1,259,903	762,075

28. TAX EXPENSE

	Group	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Current year provision	748,182	12,657
Current year deferred taxation (Note 19)	133,555	-
Overprovision of taxation in prior year	(7,343)	-
	874,394	12,657

Malaysian income tax is calculated at the statutory tax rate of 25% (31.12.2012: 25%) of the estimated taxable profits for the financial year.

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	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Loss before tax	(18,614,790)	(4,860,793)
Income tax at rate of 25%	(4,653,698)	(1,215,198)
Tax effect in respect of:		
Expenses not deductible for tax purposes	1,042,698	716,855
Income not subject to tax	(125,513)	-
Deferred tax assets not recognised	5,332,000	512,000
Utilisation of deferred tax assets previously not recognised	88,250	-
Investment tax allowances for the year	(802,000)	(1,000)
Overprovision of taxation in prior year	(7,343)	-
Total tax expense at effective tax rate	874,394	12,657

29. LOSS PER SHARE (SEN)

Group

Basic loss per ordinary share

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

	Group	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Net loss for the financial period/year attributable to ordinary shares holders of the Company (RM)	20,764,098	4,873,450
Weighted average number of ordinary shares in issue (unit)	190,609,388	157,000,000
Basic loss per share (sen)	10.89	3.10

Diluted loss per ordinary share

Diluted loss per ordinary share is not applicable for the financial period/ year 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.

30. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Directors' remuneration	1,375,103	906,345	1,173,503	762,075
Salaries and other emoluments	10,962,812	6,966,716	787,294	352,226
Defined contribution plan	925,431	634,597	48,978	36,916
Social security contributions	77,161	49,928	2,811	2,169
Other benefits	445,885	355,502	46,928	6,543
	13,786,392	8,913,088	2,059,514	1,159,929

31. RELATED PARTIES 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	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Management fees charged to subsidiary companies	-	-	1,759,890	1,032,563
Interest charged by a Director	904,314	-	-	-
Progress billings claimed on contract works performed for NCI	438,841	-	-	-
Billings on contract works performed by NCI	270,191	-	-	-
Project management performed by NCI	1,270,000	-	-	-
Secondment fee payable to NCI	70,000	-	-	-
Supply of manpower from NCI	31,811	-	-	-
Bank facilities fees payable to NCI	109,310	-	-	-
Advisory fee paid to a company that Directors deemed to have interest	378,000	318,000	-	-
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 Note 5, 6 and 15 to the Financial Statements.

(c) **Key management personnel**

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

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

	Group		Company	
	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM	1.1.2013 to 31.3.2014 RM	1.1.2012 to 31.12.2012 RM
Salaries and other short-term employees benefits	3,563,449	1,923,724	1,352,203	930,355

32. CONTINGENT LIABILITIES

	Company	
	31.3.2014 RM	31.12.2012 RM
Unsecured:-		
Corporate guarantee granted to subsidiary company	4,907,000	4,620,000

33. CAPITAL COMMITMENTS

	Company	
	31.3.2014 RM	31.12.2012 RM
Capital expenditure		
Authorised and contracted for:		
Acquisition of properties and aircrafts	-	2,300,000
Plant and machinery	530,000	-
	530,000	2,300,000

34. LEASE COMMITMENTS

The future minimum lease payments payable under non-cancellable operating lease commitments is:

	Group 31.3.2014 RM	Group 31.12.2012 RM
Future minimum lease payments payable:		
Not later than 1 year	379,104	315,504
Later than 1 year but not later than 2 years	368,304	315,504
Later that 2 years but not later than 5 years	1,052,760	1,157,712
Later than 5 years	-	421,104
	1,800,168	2,209,824

Operating lease commitments represent rental payable for the rent of land and premises.

35. OPERATING SEGMENTS

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.

31.3.2014	Note	Flight education and training RM	Mechanical engineering works and services RM	Others RM	Eliminations RM	Total RM
Revenue:						
External revenue		19,006,699	13,707,043	961,830	-	33,675,572
Inter-segment	i	-	-	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)
Taxation		(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:						
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

31.3.2014	Note	Flight education and training RM	Mechanical engineering works and services RM	Others RM	Eliminations RM	Total RM
Liabilities:						
Segment liabilities		55,020,401	16,184,661	17,589,906	(28,957,373)	59,837,595
31.12.2012						
Revenue:						
External revenue	i	22,408,982	-	11,403	-	22,420,385
Inter-segment		-	-	1,032,563	(1,032,563)	-
Total revenue		22,408,982	-	1,043,966	(1,032,563)	22,420,385
Results:						
Interest income		780	-	-	-	780
Finance costs		(1,426,236)	-	-	-	(1,426,236)
Depreciation		(3,982,155)	-	(155,367)	-	(4,137,522)
Other non-cash expenses	ii	(72,107)	-	-	(3,000)	(75,107)
Taxation		(12,657)	-	-	-	(12,657)
Segment loss		(3,194,534)	-	(1,675,916)	(3,000)	(4,873,450)
Assets:						
Additions to non-current assets	iii	3,131,147	-	778,040	(774,000)	3,135,187
Segment assets		61,193,582	-	40,935,179	(40,774,172)	61,354,589
Liabilities:						
Segment liabilities		38,701,118	-	2,237,126	(10,990,068)	29,948,176

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 (expenses)/income consist of the following items:

	Group 31.3.2014 RM	Group 31.12.2012 RM
Bad debts written off	(136,650)	-
Deferred costs written off	(444,480)	-
Impairment loss on trade/ other receivables	(1,575,135)	(92,770)
Unrealised gain on foreign exchange	32,964	-
Waiver of debts	1,103	-
(Loss)/Gain on disposal of property, plant and equipment	(258,315)	17,663
	(2,380,513)	(75,107)

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

	Group	
	31.3.2014	31.12.2012
	RM	RM
Property, plant and equipment	7,332,615	2,939,736
Deferred costs	-	195,451
	7,332,615	3,135,187

Geographical information

There is no geographical information as the Group is predominantly operating in Malaysia.

Information about a major customer

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue as the Group's customers consist of a large number of individuals except for 1 (31.12.2012: Nil) major customer which contributed 48% (31.12.2012: Nil) from mechanical engineering works and services segment.

36. FINANCIAL RISK MANAGEMENT

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 credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. 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 are as follows:-

	Gross RM	Individually impaired RM	Net RM
31.3.2014			
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
31.12.2012			
Not past due	1,451,024	-	1,451,024
Past due 1 - 30 days	575,540	-	575,540
Past due 31 - 60 days	885,600	-	885,600
More than 61 days	7,442,744	(24,474)	7,418,270
	10,354,908	(24,474)	10,330,434

The Group has trade receivables amounting to RM4,592,973 (31.12.2012: RM8,879,410) 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.

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 48% (31.12.2012: Nil) of trade receivables were due from 1 debtor (31.12.2012: Nil). 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.

(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.

(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 RM4,907,000 (31.12.2012: RM4,620,000), represented by the outstanding banking facilities and hire purchase facility of the subsidiary companies as at the reporting date.

The Company provides unsecured financial guarantees to banks 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. As at the reporting date, there was no indication that this subsidiary company would default on repayment.

(b) Liquidity and cash flow risks

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet its financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity and cash flow risks 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 its 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.

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

Group	Current Less than 1 year RM	← Non-current Between 1 to 2 years RM	Between 3 to 5 years RM	More than 5 years RM →
31.3.2014				
Non-derivative financial liabilities				
Secured:				
Borrowings	6,706,817	2,758,611	4,309,533	2,012,144
Hire purchase creditors	870,128	982,018	971,322	119,916
	7,576,945	3,740,629	5,280,855	2,132,060
Unsecured:				
Trade payables	9,158,583	-	-	-
Other payables	15,713,939	-	-	-
Amount due to non-controlling interests	89,991	-	-	-
Amount due to an associate company	1,190,390	-	-	-
Amount due to a Director	15,507,065	-	-	-
	41,659,968	-	-	-
Total undiscounted financial liabilities	49,236,913	3,740,629	5,280,855	2,132,060
31.12.2012				
Non-derivative financial liabilities				
Secured:				
Borrowings	5,793,940	2,765,763	7,325,402	2,024,517
Hire purchase creditors	568,287	557,259	1,313,104	12,894
	6,362,227	3,323,022	8,638,506	2,037,411
Unsecured:				
Trade payables	1,824,279	-	-	-
Other payables	2,236,035	-	-	-
Amount due to a Director	6,969,387	-	-	-
	11,029,701	-	-	-
Total undiscounted financial liabilities	17,391,928	3,323,022	8,638,506	2,037,411

Company	Less than 1 year	
	31.3.2014	31.12.2012
	RM	RM
Non-derivative financial liabilities		
Unsecured:		
Other payables	4,637,643	90,585
Amount due to a Director	5,438,048	306,000
Total undiscounted financial liabilities	10,075,691	396,585

(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 U.S. Dollar ("USD") and Indonesia Rupiah ("IDR") which are arising mainly from the acquisition of aircrafts, acquisition of an associate company and purchase of spare parts as disclosed in Note 6 and 22 to the Financial Statements. The Group's guideline is to minimise the exposure of foreign currency risk by matching local currency income against local currency costs.

(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	
	31.3.2014	31.12.2012
	RM	RM
Fixed rate instruments		
Borrowings	-	569,127
Hire purchase creditors	2,593,548	2,088,556
	2,593,548	2,657,683
Floating rate instrument		
Borrowings	13,487,273	14,511,366

The Group and the Company does 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.

	Loss for the period/year	
	RM	RM
	+0.5%	-0.5%
Floating rate instrument		
31 March 2014	(67,436)	67,436
31 December 2012	(72,557)	72,557

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. The Group does not intend to dispose of this investment in the near future.

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 approach to capital management during the financial period.

38. COMPARATIVE FIGURES

The comparative figures are for the period from 1 January 2012 to 31 December 2012. 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.

The financial year end of the Group and of the Company had been changed from 31 December to 31 March.

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

(a) **Bonus issue of warrants**

On 14 May 2013, the Company proposed to undertake bonus issue of 78,500,000 warrants on basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.20 each held in the Company on 10 July 2013.

The bonus issue of warrants was completed during the financial period.

(b) **Proposals**

On 5 September 2013, the Company proposed to undertake the followings proposals:-

(i) Settlement of debts owing to a Director and a company in which a Director has interest via the issuance of 54,585,152 new ordinary shares of RM0.20 each at RM0.2748 of the Company;

(ii) Acquisition of 2,550,000 ordinary shares of RM1.00 each in PT Technic (M) Sdn. Bhd., representing 51% equity interest at a purchase consideration of RM30.6 million to be satisfied via a combination of cash consideration of RM10 million and issuance of 74,963,609 new ordinary shares of RM0.20 each of the Company at an issue price of RM0.2748 each;

(iii) To diversify the business of the Company and its subsidiary companies to include engineering, procurement, construction and commissioning business in the oil and gas and petrochemical industries;

(iv) Increased its authorised share capital from RM50,000,000 comprising 250,000,000 units of ordinary shares to RM100,000,000 comprising 500,000,000 units of ordinary shares; and

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

(Collectively known as “Proposals”)

The Proposals were completed during the financial period.

(c) **Private Placement ("Placement")**

On 7 October 2013, the Company proposed to undertake a private placement after the above proposals mentioned.

The first tranche of the Placement of 8,032,000 units of new ordinary shares of RM0.20 each was issued at RM0.249 on 29 January 2014.

The second tranche of the Placement of 4,149,000 units of new ordinary shares of RM0.20 each was issued at RM0.241 on 17 March 2014.

The third tranche of the Placement of 10,000,000 units of new ordinary shares of RM0.20 each was issued at RM0.204 on 25 March 2014.

On 16 April 2014, the Board fixed the issue price for the final tranche of the placement of 6,473,000 units of new ordinary shares of RM0.20 at RM0.227 each. The 4,000,000 units of new ordinary shares were issued and allotted on 25 April 2014, the remaining 2,473,000 units of new ordinary shares were issued and allotted on 5 May 2014.

(d) **Memorandum of Agreement ("MOU")**

(i) On 26 February 2013, Asia Pacific Flight Training Sdn. Bhd. ("APFTSB"), a wholly-owned subsidiary company of the Company had entered into a Memorandum of Agreement with PT Panca Global Investama ("PGI") to incorporate a joint venture company, namely PT Trans Asia Pacific Aviation Training in Indonesia to facilitate flight training of trainee pilots. PGI and APFTSB will hold a 51% and 49% stake respectively.

(ii) On 3 December 2013, APFTSB had entered into an agreement with Aviation Australia Pty Ltd ("AA") to establish an European Aviation Safety Agency ("EASA") with approved aircraft maintenance engineer training capacity in Malaysia to enable students to enrol in diploma of aircraft maintenance engineering course with AA.

(iii) On 10 February 2014, APFTSB had entered into a Memorandum of Agreement with Airways Aviation for the purpose of offering flight training pilot courses in Australia for both fixed-wing and rotary-wing aircrafts. APFTSB is responsible to provide flight education and training services.

(e) **Acquisition of Metro Money Exchange Sdn. Bhd. ("MMESB")**

On 8 May 2013, the Company had entered into a share sale agreement with FASK Capital Sdn. Bhd. to acquire 2,600,000 ordinary shares of RM1.00 each in MMESB representing 20% of the issued and paid-up share capital of MMESB for a total consideration of RM4,134,000.

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	
	31.3.2014	31.12.2012	31.3.2014	31.12.2012
	RM	RM	RM	RM
Total unappropriated profits/ (accumulated losses) of the Group and of the Company				
- Realised	(7,634,782)	14,817,956	(4,989,165)	(2,856,190)
- Unrealised	(100,591)	-	-	-
	(7,735,373)	14,817,956	(4,989,165)	(2,856,190)
Consolidation adjustments	1,855,125	65,894	-	-
	(5,880,248)	14,883,850	(4,989,165)	(2,856,190)

The disclosure of realised and unrealised 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 24 July 2014.

ANALYSIS ON SHAREHOLDINGS AS AT 30 JULY 2014

SHARE CAPITAL

Authorised Share Capital	: RM100,000,000.00 (500,000,000 ordinary shares of RM0.20 each)
Issued and Fully Paid Share Capital	: RM63,040,552.20 (315,202,761 ordinary shares of RM0.20 each)
Class of Shares	: Ordinary Shares of RM0.20 each
Voting Rights	: One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100	9	0.46	144	0.00
100 to 1,000	518	26.48	94,496	0.03
1,001 to 10,000	395	20.19	2,876,354	0.91
10,001 to 100,000	788	40.29	32,473,258	10.30
100,001 to less than 5% of issued shares	242	12.37	163,974,900	52.02
5% and above of issued shares	4	0.20	115,783,609	36.73
Total	**1,956**	**100.00**	**315,202,761**	**100.00**

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	< --------Direct-------- > No. of Shares	%	< --------Indirect------ > No. of Shares	%
Forad Holdings Sdn Bhd	37,285,754	11.83	-	-
Dato' Faruk Bin Othman	56,132,398	17.81	55,946,754[(1)]	17.75
Arif Bin Faruk	15,700,000	4.98	96,379,152[(2)]	30.58
Aida Binti Faruk	2,211,000	0.70	109,868,152[(3)]	34.86
Aisyah Binti Faruk	750,000	0.24	111,329,152[(4)]	35.32
Malaysian Trustees Berhad	74,963,609	23.78	-	-

Notes:-

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

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

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

DIRECTORS' SHAREHOLDINGS

	< -------Direct-------- >		< -------Indirect------ >	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Faruk Bin Othman	56,132,398	17.81	55,946,754[1]	17.75
Arif Bin Faruk	15,700,000	4.98	96,379,152[2]	30.58
Tan Nyap Keong @ Tony Tan	-	-	-	-
Nik Din Bin Nik Sulaiman	-	-	-	-
Dato Azmi Bin Abdullah	-	-	-	-

Notes:-

(1) Deemed interested 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 interested 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.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Barisan Bijak Sdn Bhd	38,216,742	12.12
2.	RHB Nominees (Tempatan) Sdn Bhd *OSK Capital Sdn Bhd for Forad Holdings Sdn Bhd*	37,280,000	11.83
3.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Faruk bin Othman*	23,540,000	7.47
4.	Ekonomi Fleksibel Sdn Bhd	16,746,867	5.31
5.	Arif bin Faruk	15,700,000	4.98
6.	AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Faruk bin Othman*	15,000,000	4.76
7.	RHB Nominees (Tempatan) Sdn Bhd *OSK Capital Sdn Bhd for Faruk bin Othman*	12,900,000	4.09
8.	Su Ming Yaw	10,941,500	3.47
9.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Nik Ramlah binti Nik Hassan (8093205)*	5,259,400	1.67
10.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Faruk bin Othman (8093103)*	4,450,000	1.41
11.	RHB Nominees (Tempatan) Sdn Bhd *OSK Capital Sdn Bhd for Chua Tiong Moon*	4,149,000	1.32
12.	Su Ming Keat	4,000,000	1.27
13.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ridfan bin Abd Hamid (CEB)*	3,759,200	1.19
14.	Su Ming Huey	3,000,000	0.95
15.	Koh Pee Seng	2,405,000	0.76
16.	Chong Tze Ling	2,239,700	0.71
17.	Chung Hiang Yong @ Chan Hiang Yong	2,230,000	0.71
18.	Aida binti Faruk	2,211,000	0.70
19.	Chong Hiong Lim	2,150,000	0.68
20.	JF Apex Nominees (Tempatan) Sdn Bhd *AISB for Zainul Abidin Omar (STA 3)*	2,028,000	0.64
21.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ridfan bin Abd Hamid*	2,018,900	0.64

No.	Name of Shareholders	No. of Shares	%
22.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Stuart Saw Teik Siew*	1,932,000	0.61
23.	Tu Chia Ee	1,600,000	0.51
24.	Ismail bin Asha'ari	1,590,000	0.50
25.	Siow Sin Wei	1,418,000	0.45
26.	Wong Chee Kheong	1,400,000	0.44
27.	Tan Choi Khow	1,316,600	0.42
28.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Franky Anak George*	1,228,900	0.39
29.	Cheah Ming Chiew	1,222,000	0.39
30.	Sarina Iwaz Karim @ Loke Saw Yin	1,200,000	0.38
	Total	**223,132,809**	**70.79**

ANALYSIS ON WARRANT HOLDINGS AS AT 30 JULY 2014

SHARE CAPITAL

No. of Warrants in Issue	: 78,500,000
No. of Warrant Holders	: 1,434
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

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Less than 100	475	33.12	23,475	0.03
100 to 1,000	76	5.30	48,025	0.06
1,001 to 10,000	270	18.83	1,518,050	1.93
10,001 to 100,000	455	31.73	21,552,450	27.46
100,001 to less than 5% of warrants	158	11.02	55,358,000	70.52
5% and above of warrants	0	0.00	0	0.00
Total	**1,434**	**100.00**	**78,500,000**	**100.00**

DIRECTORS' WARRANT HOLDINGS

	< ---------Direct---------- >		< ---------Indirect-------- >	
Name of Directors	**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 Warrant Holders	No. of Warrants	% of Issued Warrants
1.	Sher Khan bin Khan Mohamad	3,783,000	4.82
2.	Zainal Ariffin bin Osman	3,452,500	4.40
3.	Chung Hiang Yong @ Chan Hiang Yong	2,300,000	2.93
4.	Kumari Nita a/p Banarsi Dass	1,500,400	1.91
5.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for* *Sher Khan bin Khan Mohamad (CEB)*	1,200,000	1.53
6.	Tan Shu Tee	1,200,000	1.53
7.	Muhammad Amirun Nazreen bin Samsul	1,100,000	1.40
8.	Ong Bok Lim	1,100,000	1.40
9.	Lim Seow Luan	1,100,000	1.40
10.	Yap Chow Yin	1,000,000	1.27
11.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Sharon Saw Shu Mei (MY0809)*	930,500	1.19
12.	Tan Choi Khow	828,300	1.06
13.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Boon Tiong (E-SS2)*	631,250	0.80
14.	Yoong Mei Mei	630,000	0.80
15.	Yeap Hwee Peng	610,000	0.78
16.	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Vincent Phua Chee Ee*	590,000	0.75
17.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ridfan bin Abd Hamid (CEB)*	511,200	0.65
18.	C.J. Lim Holdings Sdn Bhd	500,000	0.64
19.	Ho Yit Lin @ Ho Yuet Ling	500,000	0.64
20.	Yang Suk Hwa	500,000	0.64

No.	Name of Warrant Holders	No. of Warrants	% of Issued Warrants
21.	Wong Kang Ling	500,000	0.64
22.	Sher Khan bin Khan Mohamad	500,000	0.64
23.	Choo Why Tong	495,000	0.63
24.	Tan Siew Bee	468,000	0.60
25.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ridfan bin Abd Hamid*	454,450	0.58
26.	Ho Chin Cheow	451,500	0.58
27.	Goh Joo Kek	450,000	0.57
28.	Sekh Mohd Ruzi @ Adnan B. Sekh Ahamad	450,000	0.57
29.	Seow Chye Hiap	441,200	0.56
30.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Kam Poh*	415,000	0.53
Total		**28,592,300**	**36.42**

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	1	778,325	29/12/2010
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	8	935,000	13/01/2011
Asia Pacific Flight Training Sdn Bhd	3-storey shophouse	1661, Commercial Area Bandar Baru Kubang Kerian,16150 Kota Bharu, Kelantan.	Freehold	N/A / 377.38 sq. m	5	658,950	17/01/2012

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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 * the CHAIRMAN OF THE MEETING as *my/our Proxy(ies) to vote for *me/us and act on *my/our behalf at the **Fourth Annual General Meeting** of the Company to be held at **Peninsula 1, Peninsula Residence All Suite Hotel, 10, Jalan Semantan, Bukit Damansara, 50490 Kuala Lumpur,** on **Monday, 15 September 2014** at **9.30 a.m.** and at any adjournment thereof *for/against the resolution(s) to be proposed thereat.

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

No.	Resolutions	For	Against
1.	To approve Directors' Fees		
2.	To re-elect Encik Nik Din Bin Nik Sulaiman as Director		
3.	To re-elect Mr Tan Nyap Keong @ Tony Tan as Director		
4.	To re-appoint Messrs SJ Grant Thornton as Auditors		
5.	Ordinary Resolution – Proposed Increase in Authorised Share Capital		
6.	Ordinary Resolution – Authority to Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965		
7.	Special Resolution – Proposed Amendments to the Memorandum and Articles of Association of the Company		

** Strike out whichever not applicable.*

[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 ………………………….. 2014.

Number of shares held:	

____
(Signature/Common Seal of Member)

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 8 September 2014 will be entitled to attend, 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 Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan 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)
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here

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