APFT BERHAD | ANNUAL REPORT 2016

CONTENT

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the Company will be held at the Bukit Kiara Equestrian & Country Club, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur Monday, 19 December 2016 at 9.30 a.m. to transact the following businesses:

1. To receive the Audited Financial Statements for the period ended 31 July 2016 together with the Reports of Directors' and Auditors' thereon. **Refer to Note B**

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

   (a) Arif Bin Faruk **Resolution 1**

   (b) Nik Din Bin Nik Sulaiman **Resolution 2**

3. To re-elect Chiong Sui Hieng who retires in accordance with Article 91 of the Company's Articles of Association, being eligible, offers him for re-election. **Resolution 3**

4. To approve the payment of Directors' fees of RM129,600 for the period ended 31 July 2016. **Resolution 4**

5. To consider, and if thought fit, to pass the following resolution: **Resolution 5**
   "That Messrs Raki CS Tan & Ramanan be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs SJ Grant Thornton to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

SPECIAL BUSINESS

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

6. **Ordinary Resolution - Authority to Issue Share** **Resolution 6**
   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

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

By Order of the Board

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

Kuala Lumpur,
25 November 2016

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 13 December 2016 will be entitled to attend and speak and vote at the Meeting.*

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

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

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

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

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

B. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 JULY 2016

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

C. EXPLANATORY NOTE ON SPECIAL BUSINESS

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

As at the date of this Notice, a total of 43,000,000 new ordinary shares of RM0.05 each ("Private Placement") were issued pursuant to the general mandate obtained at the Fifth Annual General Meeting held on 21 September 2015 at issue price of RM0.05 each. The total proceeds of RM2,150,000.00 from Private Placement was utilized on Private Placement expenses of RM143,000, trade creditors of RM909,000, staff cost and administrative expenses of RM1,098,000 .

FORAD

The Board of Directors
APFT BERHAD
No. 1 & 1A, 2nd Floor (Room 2)
Jalan Ipoh Kecil
50350 Kuala Lumpur

Dear Sirs,

NOTICE OF NOMINATION

We, Forad Holdings Sdn. Bhd., being a member of APFT Berhad., hereby give notice pursuant to Section 172(11) of the Companies Act, 1965, that we wish to nominate Messrs Raki CS Tan & Ramanan as Auditors of APFT Berhad in place of the retiring Auditors, Messrs SJ Grant Thornton, and that we proposed the following ordinary resolution to be tabled at the forthcoming Annual General Meeting:

"That Messrs Raki CS Tan & Ramanan be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs SJ Grant Thornton to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Thank you.

Yours faithfully,
FORAD HOLDINGS SDN. BHD.

ARIF BIN FARUK
Director

FORAD HOLDINGS SDN BHD ([illegible])
Suite 50-5-5, 5th Floor, Wisma UOA Damansara, 50 Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: +603-2092 3177 Fax: +603- 2093 9218

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

Mr. Chiong Sui Hieng
Independent Non-Executive Director

AUDIT COMMITTEE

Encik Nik Din Bin Nik Sulaiman
Chairman

Dato Azmi Bin Abdullah
Member

Mr. Tan Nyap Keong @ Tony Tan
Member

NOMINATION COMMITTEE

Mr. Tan Nyap Keong @ Tony Tan
Chairman

Dato Azmi Bin Abdullah
Member

Encik Nik Din Bin Nik Sulaiman
Member

REMUNERATION COMMITTEE

Dato Azmi Bin Abdullah
Chairman

Dato' Faruk Bin Othman
Member

Encik Nik Din Bin Nik Sulaiman
Member

COMPANY SECRETARIES

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

AUDITORS

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

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
(Company No. I 1324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Tel: 603-2783 9299
Fax: 603-2783 9222

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

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

HEAD OFFICE

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

FLIGHT TRAINING CENTRES

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

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

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

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

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

OIL & GAS

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

PROFILE OF THE BOARD OF DIRECTORS

DATO' FARUK BIN OTHMAN
Executive Chairman

Faruk Othman, a Malaysian, aged 68 male, was appointed as Executive Chairman on 22 June 2010.

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

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

He has no conflict of interest with the Group and has no convictions for offence within the past five years. He attended all six (6) Board Meetings of the Company held during the financial period ended 31 July 2016.

He is a member of the Remuneration Committee.

ARIF BIN FARUK
Executive Director

Arif Faruk, a Malaysian, aged 39 male, was appointed as Non-Executive Non-Independent Director on 22 June 2010. He was redesignated as Executive Director in on 1 August 2011.

Arif graduated with a Bachelor's of Engineering (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 license from United Kingdom and joined Malaysia Airlines as a pilot. Later Arif joined Jet Premier One Sdn Bhd as a pilot for the Government of Malaysia's Airbus Corporate Jet until July 2011.

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

He is the son of Dato' Faruk bin Othman. He has no conflict of interest with the Group and has no convictions for offence within the past five years. He attended all six (6) Board Meetings of the Company held during the financial period ended 31 July 2016.

DATO AZMI BIN ABDULLAH
Independent Non-Executive Director

Azmi Abdullah, a Malaysian, aged 65 male, was appointed as an Independent Non-Executive Director on 23 April 2012.

He graduated with a Bachelor of Arts (Hons) in Economics and was also awarded the Honorary Doctorate in Business Administration from University Kebangsaan Malaysia (UKM).

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

He does not have any family relationship with any other Directors and/or major shareholder of the Group and has no conflict of interest with the Group. He has no convictions for offence within the past five years. He attended all six (6) Board Meetings of the Company held during the financial period ended 31 July 2016. He is Chairman of the Remuneration Committee and a member of Audit and Nomination Committees.

NIK DIN BIN NIK SULAIMAN
Independent Non-Executive Director

Nik Din Nik Sulaiman, a Malaysian, aged 68 male, 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 Bhd as Financial Controller and later as Finance Director.

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

He does not have any family relationship with any other Directors and/or major shareholder of the Group and has no conflict of interest with the Group. He has no convictions for offence within the past five years. He attended all six (6) Board Meetings of the Company held during the financial period ended 31 July 2016. He is the Chairman of Audit Committee and member of Remuneration and Nomination Committees.

TAN NYAP KEONG @ TONY TAN

Independent Non-Executive Director

Tan Nyap Keong @ Tony Tan, a Malaysian, aged 66 male, was appointed as an Independent Non-Executive Director on 6 December 2010 and later as member of the Audit Committee on 15 December 2010.

Tony Tan graduated from the University of Tasmania, Australia with a Bachelor of Arts majoring in Political Science and later went to read law at Lincoln 's Inn England. He was called to the English Bar in July 1979 and to the Malaysian Bar in 1980. He is the founding partner of the legal firm of Messrs N. K. Tan & Rahim. He also sits on the board of several private limited companies.

He does not have any family relationship with any other Directors and/or major shareholder of the Group and has no conflict of interest with the Group. He has no convictions for offence within the past five years. He attended all six (6) Board Meetings of the Company held during the financial period ended 31 July 2016. He is the Chairman for Nomination Committee and member of Audit Committee.

CHIONG SUI HIENG

Independent Non-Executive Director

Chiong Sui Hieng, Malaysian, aged 40 male, was appointed as an Independent Non-Executive Director on 11 August 2016.

Chiong is a businessman involved in trading of commodities and has vast experience in retail market. He sits on the board of several private limited companies.

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

PROFILE OF KEY MANAGEMENT

SYAIFUL ALAM BIN ISMAIL

Syaiful Alam, a Malaysian, aged 42, male, joined Asia Pacific Flight Training Sdn Bhd as an Instructor on 15 November 2008. He was appointed as Principal on 01 March 2016.

He is a qualified pilot from Australian Air Academy Cessnock, New South Wales, Australia and joined Malaysia Airlines Berhad in 1997 as First Officer. He has over 19 years' experience in Flight Operations.

He does not have any family relationship with any others Directors and/or major shareholder of the Group and has no conflict interest with the Group.

EDY AKHBAR BIN IBRAHIM

Edy Akhbar,a Malaysian, aged 38, male, joined APFT Maintenance Training Sdn Bhd as Head Of Ground Operation in 2014. He was appointed as General Manager on 01 March 2016.

He qualified from Entrepreneur Development Institute, Diploma in Computer Science. He has over 18 years of experienced in Ground Operation as Load Master with Air Atlanta, Iceland before joining APFT Maintenance Sdn Bhd.

He does not have any family relationship with any others Directors and/or major shareholder of the Group and has no conflict interest with the Group.

LEE ONN LEN

Lee aged 63, a Malaysian, male, joined PT Technic (M) Sdn Bhd as General Manager on 01 April 2015.

He holds Diploma in Building Technology and has more than 37 years' experience in Civil Oil & Gas field. He was the General Manager at PT Technic Engineering before joining PT Technic (M) Sdn Bhd.

He does not have any family relationship with any others Directors and/or major shareholder of the Group and has no conflict interest with the Group.

SIVA KUMAR KALUGASALAM

Siva aged 46, a Malaysian, male, joined APFT Berhad on 19 September 2016 as Finance Manager for the Group.

He qualified from University Of Technology Sydney, Australia, Bachelor Of Business (Accountancy). Siva is also a Member Of Institute Of Financial Accountants, Member of Malaysian Institute Of Human Resources Management and Associate Member Of Institute Of Commercial and Industrial Accountants (ICIA). He was the Head of Finance and Administration at Agreyia Group Of Company before joining APFT Berhad. He has more than 10 years' experience in Financial and Human Resources Management and 8 years in Senior Management roles in SME and FMCG companies.

He does not have any family relationship with any others Directors and/or major shareholder of the Group and has no conflict interest with the Group.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of APFT Bhd, I am pleased to present the Annual Report and Audited Financial Statements of your Company and the Group for the financial period from 1 April 2015 to 31 July 2016.

OVERVIEW

The last three years has been very challenging for the Group with continuing losses especially in the training academies. Efforts are being made to consolidate business operations and to restructure the Group. We closed our flight school detachment in Kuala Terengganu and we are continuing to identify and review unproductive and loss incurring activities in the Group.

For the Corporate Social Responsibility, we continue with our "Young Pilot Program". Students are given academic knowledge in aviation and flying experience. Certificates of Completion were recently awarded to students of S.M.K. Dato' Ahmad Maher by Yang Amat Mulia Tengku Mahkota Kelantan Tengku Muhammad Faiz Petra. Our "Sekolah Anak Angkat" program for students from S.K. Sabak had activities with hangar visits and simulator sessions.

FINANCIAL PERFORMANCE

The Group announced that it has changed its financial year-end from 31 March 2016 to 31 July 2016. Accordingly, the audited financial statements shall be for a period of 16 months, made up from 1 April 2015 to 31 July 2016.

A reduction of the issued and paid-up share capital of APFT Bhd, via the cancellation of RM0.15 of the par value of every existing ordinary share of RM0.20 each to RM0.05 each was proposed and pursuant to Section 64 of Companies Act 1965 has been approved. The sealed order of the High Court of Malaya had been lodged with the Companies Commission of Malaysia on 11 July 2016, upon which the Par Value Reduction took effect and deemed completed.

APFT Bhd and its subsidiaries generated a revenue of RM26.955 million and loss before taxation ("LBT") of RM44.585 million. The losses incurred for current financial period was mainly due to decrease in revenue and impairment loss provided for goodwill, aircraft and trade receivables.

PROSPECTS

There is an uptrend in pilot training and we have received enquiries from airlines that are planning to increase their intake of pilots. There is a shortage of helicopter pilots and government agencies intend to train their personnel to be helicopter pilots. As we are one of the few schools licensed for helicopter training, our prospects of getting them to train with us is high.

The Education Ministry has implemented their Technical and Vocational Education Training (TVET) program. Our academy is one of the schools involved in the initiatives and we have continued providing Diploma Vocational Malaysia (DVM) in Ground Operations. The program, which is an MOE diploma program, will soon be open to the public for self-sponsored students. Apart from Diploma in Aircraft Maintenance Engineering (AME) and Advance Diploma in AME, we are now able to offer Diploma in Air Traffic Management.

ACKNOWLEDGEMENT

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

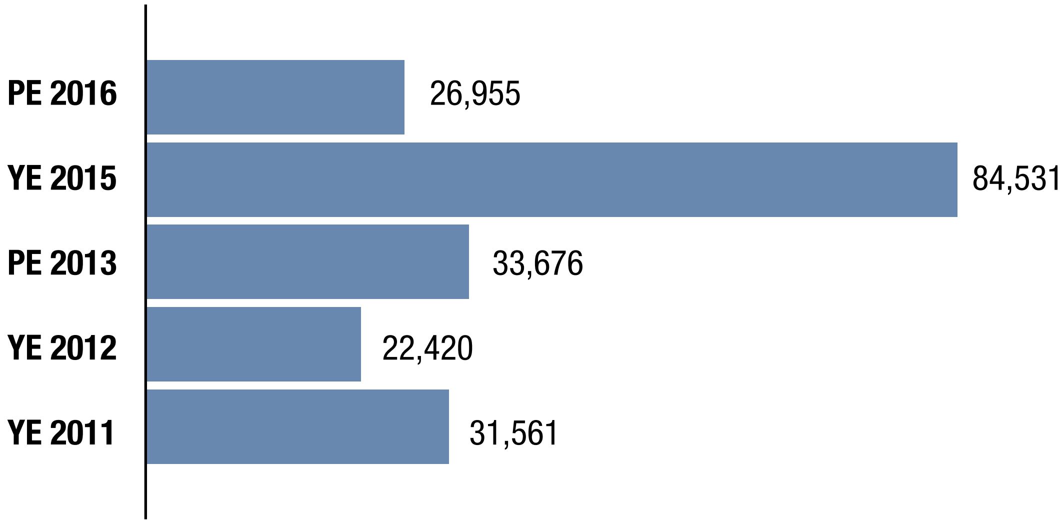
Dato' Faruk Othman
Executive Chairman

FINANCIAL HIGHLIGHTS

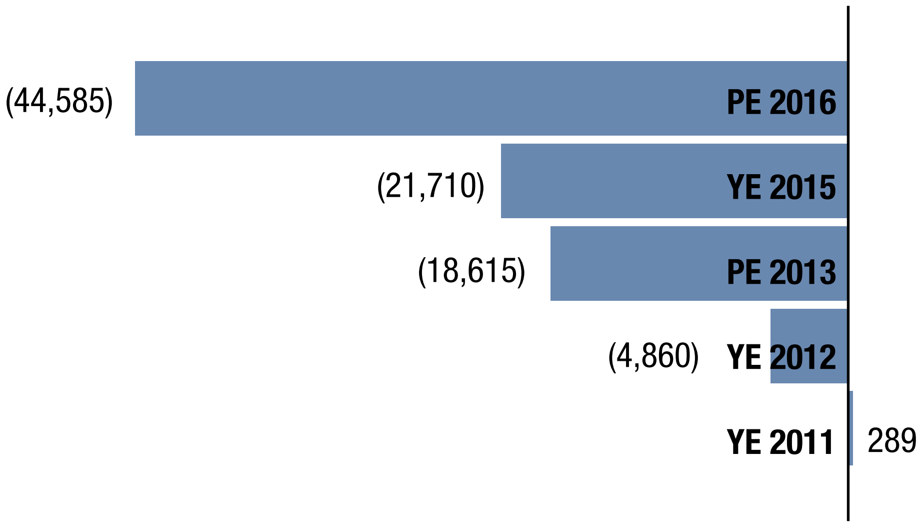
Revenue Financial Year / Period Ended	
YE 2011	31,561
YE 2012	22,420
PE 2013	33,676
YE 2015	84,531
PE 2016	26,955

EBIT Financial Year / Period Ended	
YE 2011	289
YE 2012	(4,860)
PE 2013	(18,615)
YE 2015	(21,710)
PE 2016	(44,585)

REVENUE (RM MILLION)



EBIT (RM MILLION)



STATEMENT OF CORPORATE GOVERNANCE

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

Towards this end, the Board of Directors ("Board") of APFT Bhd ("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.

BOARD ROLES AND RESPONSIBILITIES

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

The Board also reviews the adequacy and integrity of the Company's risk management, internal control systems and management information system including key risks and systems to manage these risks as well as develop shareholder's communication policy and management succession for the Company.

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

The Board has appropriately delegated specific tasks to 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. The Board has also defined its ethical standards in the Code of Ethics and Conduct. The objective of the Code of Ethics and Conduct is for the Board and each Director to focus on areas of ethical risk, provide guidance to Directors to assist them to recognize and deal with unethical conduct and help to foster a culture of honesty, trust, responsibility. Thought the provision in this Code of Ethics and Conduct are not exhaustive, it sets forth key guiding principles and policies as part of the Company's commitment to integrity, transparency and self-regulation. All Board members are encouraged to highlight and discuss ethical issues that may affect the Company's reputation or image negatively to the attention of the Board.

Also, following the introduction of the Whistleblower Protection Act, 2010, the Board has formalized and adopted its whistle blowing policy.

The Board Charter, Code of Ethics and Conduct and Whistleblowing policies are available for public viewing and access in the Company's corporate website.

BOARD COMPOSITION AND BALANCE

Pursuant to Para. 15.02 of Main Market Listing Requirement, a Board of Directors should consist of at least 2 or 1/3 of the Board of Directors are Independent Directors. This is to enhance the Board decision making and the transparency of policies and procedures in selection and evaluation of board members.

In APFT, 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 Six (6) Directors, comprising one (1) Executive Chairman, one (1) Executive Director and four (4) Independent Non-Executive Directors. This composition is also in line to Principle 3 Reinforce Independence of the Code whereby the code emphasize that the Board must be comprise of a majority of Independent Directors when the Chairman of the Board is not an independent director.

All Directors bring a wide range of business and financial experience, skills and expertise. The profile of each Director is presented on pages 6, 7 and 8 of this Annual Report. All Independent Non-Executive Directors are independent of management and have no family or business relationship with any of the Board members and major shareholders of the group, 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.

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 could ensure the balance of power of the Board, and safeguard the interest of all shareholders and the Company. In the absence of a named Senior Independent Director, shareholders are encouraged to express their concerns if any to and seek clarification from any of the members of the Board.

The Board has adopted recommendation of the Code whereby the tenure of an independent director should not exceed a cumulative term of nine (9) years. Presently, all the Independent Directors' tenure in the Company are less than nine (9) years. Nonetheless, an independent director may continue to serve on the Board upon completion of the nine (9) years subject to director's re-designation as a non-independent director or seek for shareholder's approval to retain its designation as independent director.

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

BOARD MEETINGS

During the financial period ended 31 July 2016, the Board met six (6) times and these meetings were fully attended by all Board Members during their tenure of office.

The agenda deliberated during the board meetings were performance and operations of the Group, strategic direction, major asset acquisitions and disposals, investments decisions, related party transactions, financial performance, corporate governance disclosure, matters reported by respective committees and other significant matters.

Overall, the Board is satisfied with the level of time commitment given by its members towards fulfilling their roles and responsibilities.

SUPPLY OF INFORMATION

The supply, timeliness and quality of the information affect the effectiveness of the Board to overseeing the conduct of the business and to evaluate the management performance.

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. On the other hand, the Chairmen of Audit, Remuneration, and Nomination Committees will report and propose to the Board for matters that required board's approval.

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

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

The Company Secretaries 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 Listing Requirements of Bursa Malaysia Securities Bhd, Companies Act, the Code and other legal and regulatory developments and their impact on the Group and its businesses. The Company Secretaries attends all Board Meetings and Board Committees meetings. The Company Secretaries are responsible for the recording and safekeeping of the minutes and ensuring that these minutes are kept at the registered office of the Company and are available for inspection, if required.

APPOINTMENTS, APPRAISAL AND RE-ELECTION OF DIRECTORS

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

The appointment of new Directors is under the purview of the Nomination Committee, which is responsible for making recommendations to the Board on suitable candidates for appointment as Directors of the Company. The actual decision as to 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 diversity of the Board which includes skills, background, character, experience, integrity, competency 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 period, the Nomination Committee conducted two (2) meetings. This meeting was attended by all members of the Committee. Based on the deliberation and review conducted, the Nomination Committee reported to the Board that:

a) The present size and composition of the Board and Board Committees is adequate and effective in view of the present activities of the Group;
b) The performance and contribution of each individual Director is satisfactory from the results of the evaluation;
c) The Board possesses the required mix of skills, experience and other qualities necessary for carrying out their duties;
d) The Head of Finance has demonstrated the necessary Character, experience, integrity, competency and time committed is discharging his role; and
e) All Independent Non-Executive Directors have fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Bhd and, they are able to provide check and balance, and bring an element of objectivity to the Board.

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

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

DIRECTORS' TRAINING

The Directors are encouraged to attend continuous education programs and seminars to keep abreast of relevant changes in laws and regulations and the development in the industry. New Directors would be briefed on the Company's history, operations and financial control system and field visits will be conducted to enable them to gain an understanding of the Company's operations during the induction process.

For the financial period ended 31 July 2016, except for Mr. Chiong Sui Hieng who was appointed after the financial period, all the present Directors have attended a half day in-house briefing conducted by an external consultant on Bursa's assessment on corporate governance disclosures in Annual Report, in addition thereto, Encik Nik Din bin Nik Sulaiman has also attended Audit Committee Conference 2016

DIRECTORS' REMUNERATION

The Remuneration Committee conducted 2 meetings to review and deliberate on the remuneration scheme during the financial period ended 31 July 2016. 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 and the Group during the financial period ended 31 July 2016 are as follows:

	Group		Company	
Remuneration Categorization	**Executive Directors (RM'000)**	**Non-Executive Directors (RM'000)**	**Executive Directors (RM'000)**	**Non-Executive Directors (RM'000)**
Fees	-	129.60	-	129.60
Salaries	1,070	-	1,010	-
Benefits-in-kind	113.4	-	107	-
Others	25	-	25	-
Total	1,208.4	129.60	1,142	129.6

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

	Number of Directors	
Range of Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM 50,000	-	4
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	2	-
RM450,001 to RM500,000	-	-
Above RM500,001	-	-

The Company has received Bursa Malaysia's approval for its proposed ESOS scheme in 2014. The objective of ESOS is to motivate and retain eligible employees as well as to reward the Non-Executive Directors who have contributed to the Board. As of the date of this Annual Report, the ESOS scheme is still pending for implementation.

SHAREHOLDERS' RIGHT

The Board recognizes 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

If requested, as part of the Company's continuous investor relations and communications program, the Company is ready to have dialogues and briefings with various research and investment analysts on the APFT Group's strategies, performance and major developments.

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

Effective 1st July 2016, Para 8.29A of the Bursa Securities listing requirements provides that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll. Also, at least one scrutineer will be appointment to validate the votes cast at the general meeting who must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process.

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. On the other hand, the Audit Committee take cognizance of its responsibility to review the adequacy and integrity of financial information by considering the results of both the Internal and External Auditors' findings and reports as well as management actions to improve its systems of internal control.

The present External Auditors were engaged since the financial year ended 31 December 2010. 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. 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

RISK MANAGEMENT

The Board acknowledges that risk management is an integral part of governance. The Group's risk management and execution is primarily driven by the Executive Director and key management. The state of risk management and internal control systems and the internal audit function of the Group are disclosed in the Statement on Risk Management and Internal Control on pages 24 to 25.

CORPORATE DISCLOSURE

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

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

PROMOTING SUSTAINABILITY IN BUSINESS

In order to enhance stakeholders' perception and public trust towards the Group, the Board believes that attention shall be given to Environmental, Social and Governance ("ESG") aspects of business continuously which underpin sustainability and relate these aspects to the interests of the various stakeholders. Further details of the Group's Corporate Social Responsibility (CSR) activities are explained in the Chairman Statement.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

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

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

In the preparation of the financial statements for the financial period ended 31 July 2016, 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 all relevant approved accounting standards have been followed in the preparation of the financial statements.

OTHER COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

During the financial period ended 31 July 2016, the amount of audit and non-audit fees paid to the external auditors of the Group and of the company was RM215,204 and RM55,000 respectively.

Services rendered by the external auditor are not prohibited by regulatory and other professional requirements, and are based on globally practiced guideline on auditor's independence.

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 July 2016.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There was no material contract entered into by the Company and/or its subsidiary companies involving Directors' and Major Shareholders' interest during the financial period ended 31 July 2016.

UTILIZATION OF PROCEEDS

There were no rights issue or issuance of bonds carried out during the financial period ended 31 July 2016 to raise any cash proceeds.

A total of 162,130,024 ordinary shares were issued pursuant to Private Placement 2014, Capitalization and Private Placement 2016 during the financial period ended 31 July 2016. Status of utilization of proceeds from above are as follow:

PRIVATE PLACEMENT 2014

Details of Utilization	Proposed Utilization (RM)	Amount Utilized (RM)
Purchase of Aircraft	6,000,000.00	3,000,000.00
Purchase of Equipment	9,600,000.00	9,600,000.00
Repayment of Bank Borrowings	2,210,000.00	500,000.00
Working Capital Requirement	5,412,000.00	5,412,000.00
Private placement expenses	400,000.00	400,000.00

CAPITALIZATION AND PRIVATE PLACEMENT 2016

Details of Utilization	Proposed Utilization (RM)	Amount Utilized (RM)
Settlement of debts owing to Director	4,914,005.00	4,914,005.00
Working Capital Requirement	2,007,000.00	2,007,000.00
Private placement expenses	143,000.00	143,000.00

RECURRENT RELATED PARTY TRANSACTION

	Group 1.4.2015 to 31.7.2016 RM	Company 1.4.2015 to 31.7.2016 RM
Management fee charged to Subsidiaries	-	644,916
Interest charged by Directors	921,357	-
Supply of manpower to non-controlling interests	401,928	-
Interest payable to non-controlling interests	203,284	-
Transfer of investment in subsidiaries to other subsidiaries	-	84,558,936

The interest charge was in respect of the advances by the Executive Chairman to the Group for working capital purpose. The interest charge for these advances is 8.35% per annum calculated on the monthly weighted average over the outstanding balance due to the Executive Chairman.

There is no security to be provided by the Group for these advances as well as any fixed terms of repayment for the principal and interest due.

The interest payable to the Executive Chairman during the financial period ended 31 July 2016 amounts to RM921,357. The total outstanding balance due to with respect to these advances is RM6,777,677 as at 31 July 2016.

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)

The Audit Committee shall be appointed by the Board of Directors from amongst the Non-Executive Directors. The committee must 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 the members, and who shall be an Independent Director. No alternate Director shall be appointed as a member of the Audit Committee.

En. Nik Din Bin Nik Sulaiman is Chartered Accountant of Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants (FCCA). Accordingly, the Company complies with Para 15.09(1)(c)(i) of the listing requirements on the composition of Audit Committee.

TERMS OF REFERENCE

Bursa's Main Market Listing Requirements has made some amendments pertaining to Audit Committee's responsibilities. This requirement is effective since 1st July 2016. Pursuant to Paragraph 15.12(1)(g), it required the Audit Committee to discharge its functions and duties by reviewing and highlighting significant matters to the Board which include financial reporting issues, significant judgment made by the management, significant and unusual events or transaction as well as how these significant matters are addressed.

The updated new terms of reference were published in the corporate website of the Company (www.apft.com.my) for shareholders' reference pursuant to Paragraph 9.25 of listing requirements.

MEETINGS AND ATTENDANCE

Audit Committee meetings shall be held at least four (4) times a year with the attendance of the Head of Finance (HOF), representatives from internal and external auditors. Other Board members and senior Management may attend meetings upon the invitation of the Audit Committee.

A total of six (6)Audit Committee Meetings were held during the financial year. These meetings were fully attended by all members of the Committee.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial period ended 31st July 2016, the works carried out by the Audit Committee in discharging their functions and duties are summarized as follows:

(a) The internal control system of key operation processes is assessed and reviewed by the Audit Committee. The Internal Auditor's Report were presented to the Audit Committee on quarterly basis which are important to the Audit Committee to perform an objective and independent assessment on the state of risk management and internal control framework of the group.

    The Audit Committee is also updated on the progress and status of implementation of the recommendations made by the Internal Auditors on half-yearly basis. On the other hand, the Internal Audit Plan is reviewed and approved by the Audit Committee to ensure that the direction and coverage of the audit are appropriate.

(b) As part of the Audit Committee review for ensuring financial statements comply with applicable financial reporting standards, the Head of Finance (HOF) of the Group was invited to the Audit Committee Meetings to present the quarterly results. The salient matters and significant changes of the quarterly results were highlighted to the Audit Committee. Justification and explanation were provided by management in responding to the queries raised by the members of the Audit Committee.

The representatives of External Auditors were also invited to attend AC Meeting during the presentation of quarterly result by the HOF. Comments and suggestions were provided by the External Auditors during the meeting to ensure that the accounting treatment is in compliance to the Financial Reporting Standard.

(c) The Audit Committee reviewed audited financial statement and result with the External Auditors and the HOF. The key audit matters and audit findings highlighted by the External Auditors were assessed and reviewed by the Audit Committee. Any immediate actions required to be made by management will be emphasized by the Committee after hearing the advice from the External Auditors.

Before the commencement of current financial year end period, the Audit Committee had also reviewed the External Auditors' Audit Planning Memorandum. The Committee noted the external auditors' key considerations, audit emphasis and approaches made.

(d) The Audit Committee had received letter of nomination of auditors and had considered and made recommendation to the Board on the change of Auditors from SJ Grant Thornton, External Auditor of APFT Bhd to Raki CS Tan & Ramanan for the next Financial year. This process includes the review of proposed fees payable to external auditors.

The Audit Committee also had a private session in a separate meeting with the External Auditor without the presence of Management. In this session, the External Auditors had provided their comments on the assistance given by the Management which included the information and explanation provided. This review process is important to ensure that critical issues are being brought up objectively to the attention of the Audit Committee.

(e) The Audit Committee reviewed the Related Party Transactions of the Group presented by HOF on quarterly basis. In reviewing these transactions, the Audit Committee had considered whether these related party transactions were transacted on arm's length basis as well as confirmed the completeness of the reported related party transaction with HOF.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORK DONE

The Internal Audit function is established with the primary objective of providing assistance to the Audit Committee in discharging its oversight duties and responsibilities in reviewing the systems of internal control. 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 focuses on key operation areas in the Company and the Group. The Internal Auditors report their findings and recommendations for improvement to the Audit Committee based on their assessment and management compliance against the internal control policies and procedures.

During the financial year, the Internal Auditors conducted internal control reviews on key operating functions such as Accounts Payables, Project Costing, Aircraft Serviceability and Asset Management. The Audit Reports containing audit findings, recommendations and 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 audits on corrective action plan were also performed every half-yearly by the Internal Auditors during the financial year to ascertain the extent of management's implementation of the recommended corrective action.

The cost incurred for the internal audit function in respect of the financial period ended 31 July 2016 was RM13,901 (2015: RM8,595).

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 Requirement issued by of Bursa Malaysia Securities Bhd ("Bursa"). In producing this Statement, the Board has considered and was guided by the latest "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guidelines") issued by the Taskforce on Internal Control with the support and endorsement of Bursa.

BOARD RESPONSIBILITY

The Board acknowledges that the risk management and systems of internal control are integral parts of corporate governance. On this note, the Board is responsible for maintaining adequate and effective risk management and systems of internal control and establishing on-going process for identifying, evaluating and managing its principal risks.

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

RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL

The Group's risk management and execution is primarily driven by the Executive Director and key management. The Executive Director and key management identify, evaluate, manage and report significant risks faced by the organization in its business and operations. Management discussions, involving the members of the key management were held to deliberate the progress of various business operations and financial issues and to serve as a means of communication and feedback channel for departmental heads. With regard to internal control, the Group has implemented the following key controls in its operations:

With regard to internal controls, the Group has implemented the following key controls in its operations:

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

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

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

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

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

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

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

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

INTERNAL AUDIT FUNCTION

The Board outsourced its internal audit function to a consulting firm. 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 also performed to ascertain the extent of management's implementation of the recommended corrective action for improvements.

In accordance to the Guidelines, management is accountable to the Board for identifying risks relevant to the business of the Group's objectives and strategies, implementing and maintaining sound systems of risk management and internal controls 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 Chairman and Head of Finance 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 REVIEW AND OVERSIGHT MECHANISM

The Board recognizes that the Group is operating in a dynamic business environment. Accordingly, the Board views that risk management and systems of internal control are integral parts of the Group and believes that the way it overseeing risks is critical and will influence the tone and culture for effective risk management at management level.

Presently, the primary risk oversight role of the Group resides in the Board. When reviewing and deliberating risk issues in the Group, the Board is assisted by the Executive Director and management in assessing whether the present systems of risk management and internal control provide reasonable assurance that risk is managed appropriately. The Audit Committee is supporting the Board during its review of risk management by reporting to the Board the audit issues highlighted by the Internal and External Auditors.
On the other hand, management also supplements the Board consideration on effectiveness of the Group's risk management systems when reporting their quarterly financial performance and results to the Board and Audit Committee. With management inputs on the interim financial performance results, the Board and Audit Committee are able to cross examine the effective of risk management and internal control systems as well as deliberates the integrity of the financial results.

BOARD ASSURANCE AND LIMITATION

For the financial period under review, the Board is satisfied that the existing level of systems of internal control and risk management are reasonable. The Board recognizes 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

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial period ended 31 July 2016. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants.

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.

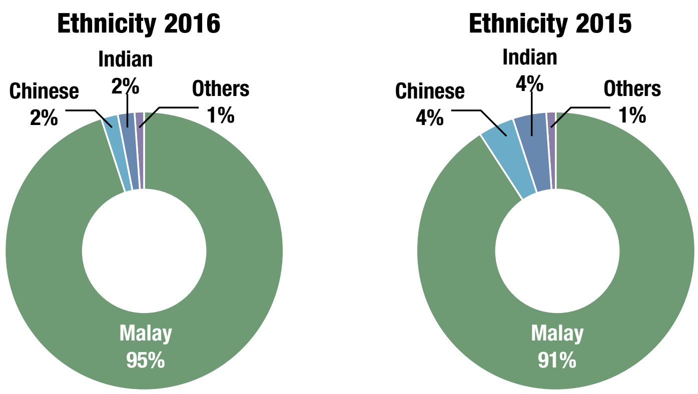
This Statement is approved by the Board of Directors on 17 November 2016.

WORKPLACE DIVERSITY POLICY

At APFT, we acknowledge the importance of diversity at workplace and provide equal employment opportunity to employees regardless of age, gender and ethnicity.

As at the financial period ended 31 July 2016, the composition of the ethnicity, age and gender of our workforce in the Group are as follows.

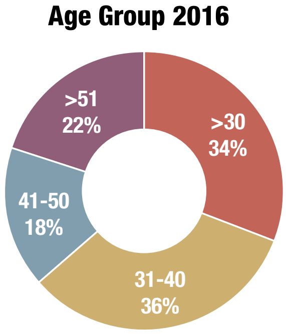
EMPLOYEE'S ETHNICITY COMPOSITION

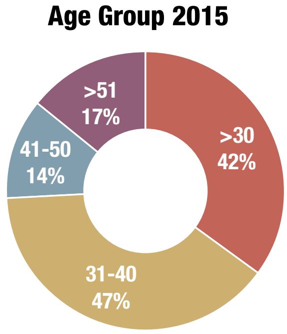


	Ethnicity	
	2016 Total Number	2015 Total Number
Malay	158	220
Chinese	3	9
Indian	4	10
Others	1	2
Total	**166**	**241**

Note: The above composition excludes Board member.

EMPLOYEE'S AGE GROUP COMPOSITION



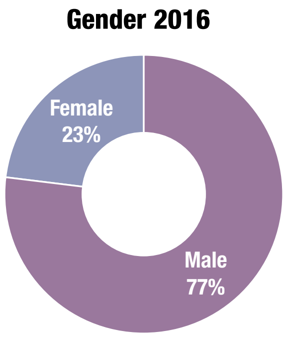


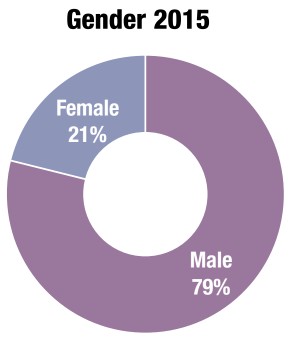
Age Group

	2016 Total Number	2015 Total Number
30 years and below	56	102
31 - 40 years	44	65
41 - 50 years	30	33
51 years and above	36	41
Total	**166**	**241**

Note: The above composition excludes Board member.

EMPLOYEE'S GENDER COMPOSITION





Gender

	2016 Total Number	2015 Total Number
Male	127	190
Female	39	51
Total	**166**	**241**

Note: The above composition excludes Board member.

FINANCIAL STATEMENTS 2016

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 April 2015 to 31 July 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiaries during the financial period.

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial period	44,573,538	50,634,246
Attributable to:-		
Owners of the Company	34,701,734	50,634,246
Non-controlling interests	9,871,804	-
	44,573,538	50,634,246

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
Chiong Sui Hieng (appointed on 11.8.2016)

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 as at financial period end are as follow:-

	Number of ordinary shares of RM0.05 each			
Interests in the Company	At 1.4.2015	Bought	Sold	At 31.7.2016
Direct interests				
Dato' Faruk Bin Othman	60,332,398	76,014,024	53,344,000	83,002,422
Arif Bin Faruk	4,300,000	-	4,000,000	300,000
Deemed interests				
Dato' Faruk Bin Othman *	42,046,754	-	41,280,000	766,754
Arif Bin Faruk *	98,079,152	76,014,024	90,624,000	83,469,176

* Deemed interests 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 interests in the shares of the Company, they are also deemed to have interests in the shares of all the subsidiaries to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

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

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 29, 32 and 33 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 issued:-

(a) 94,560,000 new ordinary shares of RM0.20 each at the issue price range from RM0.20 to RM0.21 through a private placement for a total cash consideration of RM18,975,750 for working capital purposes;

(b) 24,570,024 new ordinary shares of RM0.20 each at the issue price of RM0.2035 through a private placement for a total consideration of RM5,000,000 as partial settlement of the amount due to a Director; and

(c) 43,000,000 units of new ordinary shares of RM0.05 each at the issue price of RM0.05 through a private placement for a total consideration of RM2,150,000 for working capital purposes.

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

There were no warrants issued during the financial period.

The salient terms of the warrants are disclosed in Note 18 to the Financial Statements.

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial 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 is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
(b) the results of the Group's and of the Company's operations during the financial 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 DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE FINANCIAL PERIOD

The significant events during the financial period and subsequent to the financial period are disclosed in Note 37 to the Financial Statements.

AUDITORS

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

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

Kuala Lumpur
17 November 2016

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 38 to 102 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 July 2016 and of their financial performance and cash flows for the financial period from 1 April 2015 to 31 July 2016.

In the opinion of the Directors, the supplementary information set out on page 103 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 Directors in accordance with a resolution of the Directors,

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

Kuala Lumpur
17 November 2016

STATUTORY DECLARATION

I, Mohd Nazri Bin Jamal, 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 38 to 102 and the supplementary information set out on page 103 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	)	
17 November 2016	)	....
		MOHD NAZRI BIN JAMAL

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of APFT Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 July 2016, 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 April 2015 to 31 July 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 102.

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 at 31 July 2016 and of their financial performance and cash flows for the financial period from 1 April 2015 to 31 July 2016 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

As disclosed in Note 2 to the Financial Statements, the Group and the Company incurred a net loss of RM44,573,538 and RM50,634,246 respectively and recorded a negative operating cash flows of RM8,025,047 and RM2,304,783 respectively for financial period from 1 April 2015 to 31 July 2016 and as of that date, the Group's total current liabilities exceeded its total current assets by RM36,333,637.

In addition, one of the subsidiaries was unable to meet its borrowings obligations during the financial period as disclosed in Notes 22 and 23 to the Financial Statements. Few principal bankers had issued letters of demand and statements of claims to the subsidiary. Certain creditors as disclosed in Note 37(e)(v) and (vi) had issued letters of demand to the subsidiary due to long overdue debts.

In view of the matters set out above, there are material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern.

Based on the management plan, the ability of the Group and of the Company to continue as going concerns is dependent upon:-

(a) successful in disposing the assets to repay the outstanding debts;

(b) successful in negotiation with creditors on an amicable solution to their demands;

(c) continuing support from a Director of the Company; and

(d) achieving sustainable and viable operations.

In the event that these are not forthcoming, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns. In forming our audit opinion, we have considered the adequacy of the disclosure of these matters in the financial statements. Our opinion is not qualified on this matter.

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 subsidiaries 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' report of the subsidiary of which we have not acted as auditors, which are indicated in Note 6 to the Financial Statements;

(c) We are satisfied that the accounts of the subsidiaries 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; and

(d) The auditors' reports on the accounts of other subsidiaries 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 103 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

KHO KIM ENG
(NO: 3137/10/18(J))
CHARTERED ACCOUNTANT
PARTNER

Kuala Lumpur
17 November 2016

APFT BERHAD AND ITS SUBSIDIARIES
(INCORPORATED IN MALAYSIA)
STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2016

		Group		Company	
	Note	31.7.2016	31.3.2015	31.7.2016	31.3.2015
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	31,858,536	41,324,032	-	-
Investment in subsidiaries	6	-	-	4	56,524,439
Investment in an associate	7	-	1,622,725	-	-
Other investments	8	428,337	-	-	-
Deferred costs	9	145,257	359,160	-	-
Fixed deposits with licensed banks	10	112,625	678,569	-	-
Goodwill on consolidation	11	18,631,027	21,305,779	-	-
Total non-current assets		51,175,782	65,290,265	4	56,524,439
Current assets					
Inventories	12	1,321,153	1,478,704	-	-
Amount due from contract customers	13	3,673,255	10,753,300	-	-
Trade receivables	14	8,946,796	14,685,618	-	-
Other receivables	15	4,472,240	3,255,682	16,941	203
Deferred costs	9	131,050	146,718	-	-
Amount due from subsidiaries	6	-	-	45,182,161	20,786,520
Tax recoverable		125,999	729,291	-	-
Cash and bank balances		2,398,401	1,987,811	2,152,188	300,765
Total current assets		21,068,894	33,037,124	47,351,290	21,087,488
Non-current asset held for sale	16	1,431,384	-	-	-
Total assets		73,676,060	98,327,389	47,351,294	77,611,927

	Note	Group 31.7.2016 RM	Group 31.3.2015 RM	Company 31.7.2016 RM	Company 31.3.2015 RM
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:-					
Share capital	17	23,866,639	63,040,552	23,866,639	63,040,552
Reserves	18	15,625,821	15,468,057	15,627,393	15,477,648
Merger deficit	19	(20,999,998)	(20,999,998)	-	-
Unappropriated profits/ (accumulated losses)		2,516,594	(27,931,590)	7,156,560	(7,359,112)
		21,009,056	29,577,021	46,650,592	71,159,088
Non-controlling interests	6	(6,414,656)	3,451,802	-	-
Total equity		14,594,400	33,028,823	46,650,592	71,159,088
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	20	133,555	133,555	-	-
Other payables	21	36,493	34,072	-	-
Borrowings	22	-	5,436,659	-	-
Finance lease payables	23	77,697	1,182,408	-	-
Total non-current liabilities		247,745	6,786,694	-	-
Current liabilities					
Trade payables	24	20,828,719	16,135,636	-	-
Other payables	21	16,466,915	9,616,172	700,702	1,014,801
Amount due to non-controlling interests	25	2,419,229	3,334,539	-	-
Amount due to an associate	7	-	1,145,840	-	-
Amount due to Directors	26	7,652,559	20,247,497	-	5,438,038
Deferred income	27	2,449,239	2,496,345	-	-
Borrowings	22	7,928,582	4,250,399	-	-
Finance lease payables	23	1,088,672	1,285,444	-	-
Total current liabilities		58,833,915	58,511,872	700,702	6,452,839
Total liabilities		59,081,660	65,298,566	700,702	6,452,839
Total equity and liabilities		73,676,060	98,327,389	47,351,294	77,611,927

APFT BERHAD AND ITS SUBSIDIARIES
(INCORPORATED IN MALAYSIA)
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 APRIL 2015 TO 31 JULY 2016

		Group		Company	
	Note	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Revenue	28	26,955,115	84,531,323	644,916	1,251,728
Cost of services		(47,416,091)	(81,862,463)	-	-
Gross (loss)/profit		(20,460,976)	2,668,860	644,916	1,251,728
Other income		2,703,697	1,649,063	1,585,086	300,353
Marketing expenses		(293,874)	(502,555)	-	-
Administration expenses		(13,861,464)	(10,248,413)	(2,626,254)	(2,383,199)
Other expenses		(10,559,798)	(13,043,432)	(50,237,994)	(1,538,829)
Finance costs		(2,088,507)	(2,221,805)	-	-
Share of loss of an associate		(24,541)	(11,915)	-	-
Loss before tax	29	(44,585,463)	(21,710,197)	(50,634,246)	(2,369,947)
Tax income/(expenses)	30	11,925	(255,578)	-	-
Net loss for the financial period/year		(44,573,538)	(21,965,775)	(50,634,246)	(2,369,947)
Other comprehensive income/(loss):					
Item that will be reclassified subsequently to profit or loss					
Foreign currency translation		13,365	(15,983)	-	-
Total comprehensive loss for the financial period/year		(44,560,173)	(21,981,758)	(50,634,246)	(2,369,947)
(Loss)/Profit for the financial period/year attributable to:					
Owners of the Company		(34,701,734)	(22,051,342)		
Non-controlling interests		(9,871,804)	85,567		
Net loss for the financial period/year		(44,573,538)	(21,965,775)		
Total comprehensive (loss)/income for the financial period/year attributable to:					
Owners of the Company		(34,693,715)	(22,060,933)		
Non-controlling interests		(9,866,458)	79,175		
Total comprehensive loss or the financial period/year		(44,560,173)	(21,981,758)		
Losses per share					
Basic losses per share (sen)	31	8.50	7.01		
Diluted losses per share (sen)		*	*		

* anti-dilutive in nature

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

APFT BERHAD AND ITS SUBSIDIARIES
(INCORPORATED IN MALAYSIA)
STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2015 TO 31 JULY 2016

	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	Translation reserve RM	(Accumulated losses)/ Unappropriated profits RM	Total RM	Non-controlling interests RM	Total RM
Group										
Balance at 1 April 2014	61,745,952	15,614,514	19,232,500	(19,232,500)	(20,999,998)	-	(5,880,248)	50,480,220	3,186,072	53,666,292
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	186,555	186,555
(Loss)/Profit for the financial year	-	-	-	-	-	-	(22,051,342)	(22,051,342)	85,567	(21,965,775)
Other comprehensive loss for the financial year	-	-	-	-	-	(9,591)	-	(9,591)	(6,392)	(15,983)
Total comprehensive (loss)/income for the financial year	-	-	-	-	-	(9,591)	(22,051,342)	(22,060,933)	79,175	(21,981,758)
Transaction with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	1,294,600	(136,866)	-	-	-	-	-	1,157,734	-	1,157,734
Balance at 31 March 2015	63,040,552	15,477,648	19,232,500	(19,232,500)	(20,999,998)	(9,591)	(27,931,590)	29,577,021	3,451,802	33,028,823
Par value reduction	(65,149,918)	-	-	-	-	-	65,149,918	-	-	-
Loss for the financial period	-	-	-	-	-	-	(34,701,734)	(34,701,734)	(9,871,804)	(44,573,538)
Other comprehensive income for the financial period	-	-	-	-	-	8,019	-	8,019	5,346	13,365
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	8,019	(34,701,734)	(34,693,715)	(9,866,458)	(44,560,173)
Transaction with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	25,976,005	149,745	-	-	-	-	-	26,125,750	-	26,125,750
Balance at 31 July 2016	23,866,639	15,627,393	19,232,500	(19,232,500)	(20,999,998)	(1,572)	2,516,594	21,009,056	(6,414,656)	14,594,400
Company										
Balance at 1 April 2014	61,745,952	15,614,514	19,232,500	(19,232,500)	-	-	(4,989,165)	72,371,301	-	72,371,301
Total comprehensive loss for the financial year	-	-	-	-	-	-	(2,369,947)	(2,369,947)	-	(2,369,947)
Transaction with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	1,294,600	(136,866)	-	-	-	-	-	1,157,734	-	1,157,734
Balance at 31 March 2015	63,040,552	15,477,648	19,232,500	(19,232,500)	-	-	(7,359,112)	71,159,088	-	71,159,088
Par value reduction	(65,149,918)	-	-	-	-	-	65,149,918	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	-	-	(50,634,246)	(50,634,246)	-	(50,634,246)
Transaction with owners of the Company:										
- Issuance of shares, net of shares issuance expenses	25,976,005	149,745	-	-	-	-	-	26,125,750	-	26,125,750
Balance at 31 July 2016	23,866,639	15,627,393	19,232,500	(19,232,500)	-	-	7,156,560	46,650,592	-	46,650,592

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

APFT BERHAD AND ITS SUBSIDIARIES
(INCORPORATED IN MALAYSIA)
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2015 TO 31 JULY 2016

	Note	Group 1.4.2015 to 31.7.2016 RM	Group 1.4.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.7.2016 RM	Company 1.4.2014 to 31.3.2015 RM
OPERATING ACTIVITIES					
Loss before tax		(44,585,463)	(21,710,197)	(50,634,246)	(2,369,947)
Adjustments for:-					
Amortisation of deferred costs		174,733	153,764	-	-
Bad debts written off		6,738	138,618	-	-
Deferred costs written off		54,838	-	-	-
Depreciation		6,393,742	5,443,214	-	-
Loss/(Gain) on disposal of property, plant and equipment		482,781	(233,072)	-	-
Gain on disposal of other investments		(28,705)	-	-	-
Impairment loss on property, plant and equipment		3,144,910	-	-	-
Impairment loss on trade receivables		2,093,231	1,512,368	-	-
Impairment loss on amount due from subsidiaries		-	-	50,237,994	354,332
Impairment loss on investment in subsidiaries		-	-	-	1,184,497
Impairment loss on other receivables		183,414	-	-	-
Impairment loss on goodwill		2,674,752	10,000,000	-	-
Interest income		(29,947)	(17,529)	(7,392)	(353)
Interest expenses		2,088,507	2,221,805	-	-
Property, plant and equipment written off		912,824	350,137	-	-
Reversal of impairment loss on investment in subsidiaries		-	-	(1,184,497)	-
Reversal of impairment loss on amount due from subsidiaries		-	-	(393,197)	-
Reversal of impairment loss on trade receivables		(728,834)	-	-	-
Share of loss of an associate		24,541	11,915	-	-
Unrealised (gain)/loss on foreign exchange		(16,722)	20,213	-	-
Operating loss before working capital changes		(27,154,660)	(2,108,764)	(1,981,338)	(831,471)

	Note	Group 1.4.2015 to 31.7.2016 RM	Group 1.4.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.7.2016 RM	Company 1.4.2014 to 31.3.2015 RM
Changes in working capital :-					
Inventories		157,857	652,653	-	-
Contract customers		7,080,045	(7,315,720)	-	-
Receivables		2,979,272	(2,321,842)	(16,738)	5,561
Payables		10,404,956	3,236,460	(314,099)	511,158
Non-controlling interests		(911,553)	5,701,999	-	-
Deferred income		(59,393)	1,632,171	-	-
Cash used in operations		(7,503,476)	(523,043)	(2,312,175)	(314,752)
Tax paid		(161,665)	(1,235,168)	-	-
Tax refund		777,297	-	-	-
Interest paid		(1,167,150)	(1,180,794)	-	-
Interest received		29,947	17,529	7,392	353
Net cash used in operating activities		(8,025,047)	(2,921,476)	(2,304,783)	(314,399)

INVESTING ACTIVITIES

	Note	Group 1.4.2015 to 31.7.2016 RM	Group 1.4.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.7.2016 RM	Company 1.4.2014 to 31.3.2015 RM
Purchase of property, plant and equipment	A	(2,077,806)	(1,885,567)	-	-
Acquisition of a subsidiary, net of cash acquired	6	-	641,287	-	-
Subscription of ordinary shares of new subsidiaries		-	-	(4)	-
Placement of fixed deposits		-	(171,356)	-	-
Proceeds from disposal of property, plant and equipment		744,597	3,233,820	-	-
Purchase of other investments		(3,679,836)	-	-	-
Proceeds from disposal of other investments		3,443,264	-	-	-
Net cash (used in)/from investing activities		(1,569,781)	1,818,184	(4)	-

	Note	Group 1.4.2015 to 31.7.2016 RM	Group 1.4.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.7.2016 RM	Company 1.4.2014 to 31.3.2015 RM
FINANCING ACTIVITIES					
(Repayments to)/Advances from Directors		(8,516,295)	3,699,421	(438,038)	(10)
Repayments of borrowings		(1,234,641)	(1,866,149)	-	-
Repayments of finance lease payables		(1,425,667)	(1,251,696)	-	-
Net advances to subsidiaries		-	-	(16,531,502)	(550,028)
Net repayments to an associate		-	(44,550)	-	-
Proceeds from issuance of shares, net of share issuance expenses		21,125,750	1,157,734	21,125,750	1,157,734
Net cash from financing activities		9,949,147	1,694,760	4,156,210	607,696
CASH AND CASH EQUIVALENTS					
Net increase		354,319	591,468	1,851,423	293,297
Effect of exchange translation differences on cash and cash equivalents		14,162	45,665	-	-
At beginning of period/year		(26,329)	(663,462)	300,765	7,468
At end of period/year	B	342,152	(26,329)	2,152,188	300,765

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 RM2,201,990 (31.3.2015: RM3,011,567) of which RM124,184 (31.3.2015: RM1,126,000) were acquired by means of finance lease arrangements. Cash payments of RM2,077,806 (31.3.2015: RM1,885,567) 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 31.7.2016 RM	Group 31.3.2015 RM	Company 31.7.2016 RM	Company 31.3.2015 RM
Cash and bank balances	2,398,401	1,987,811	2,152,188	300,765
Bank overdrafts	(2,056,249)	(2,014,140)	-	-
	342,152	(26,329)	2,152,188	300,765

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

NOTES TO THE FINANCIAL STATEMENTS

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 No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur. The principal place of business is located at Suite 50-5-5, 5th Floor, Wisma UOA Damansara, 50, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.

The Company is principally engaged as an investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiaries 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 17 November 2016.

2. GOING CONCERN

The financial statements of the Group and of the Company have been prepared on the going concern assumption that the Group and the Company will continue as going concerns. The application of going concern basis is based on the assumption that the Group and the Company will be able to realise its assets and liquidate its liabilities in the normal course of business.

During the financial period, the Group and the Company incurred a net loss of RM44,573,538 and RM50,634,246 respectively and recorded a negative operating cash flows of RM8,025,047 and RM2,304,783 respectively. As at 31 July 2016, the Group's total current liabilities exceeded its total current assets by RM36,333,637.

In addition, one of the subsidiaries was unable to meet its borrowings obligations during the financial period as disclosed in Notes 22 and 23 to the Financial Statements. Few principal bankers had issued letters of demand and statements of claim to the subsidiary due to long overdue debts.

Certain creditors as disclosed in Note 37(e)(v) and (vi) had issued letters of demand to the subsidiary. The Directors are negotiating with the creditors on an amicable solution.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group to continue as a going concern. Based on the management plan, the ability of the Group and the Company to continue as going concerns is dependent upon:-

(a) successful in disposing the assets to repay the outstanding debts;
(b) successful in negotiation with creditors on an amicable solution to their demands;
(c) continuing support from a Director of the Company; and
(d) achieving sustainable and viable operations.

In the event that these are not forthcoming, the Group and the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

3. BASIS OF PREPARATION

3.1 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.

3.2 Basis of measurement

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follow, based on the lowest level input that is significant to their fair value measurement as a whole:-

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period/year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

3.3 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.

3.4 Adoption of new and revised MFRSs and amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 4 to all period/year presented in these financial statements.

At the beginning of the financial period, the Group and the Company adopted amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2015.

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

3.5 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:-

MFRSs and Amendments to MFRSs effective 1 January 2016:-

MFRS 10*	Consolidated Financial Statements: Investment Entities – Applying the Consolidation Exception
MFRS 12*#	Disclosure of Interests in Other Entities: Investment Entities – Applying the Consolidation Exception
MFRS 128*	Investments in Associates and Joint Ventures: Investment Entities – Applying the Consolidation Exception
MFRS 11*#	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
MFRS 14*#	Regulatory Deferral Accounts
MFRS 101	Presentation of financial statements: Disclosure initiative
MFRS 116*#	Property, Plant and Equipment: Agriculture – Bearer Plants
MFRS 116*	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation
MFRS 127*	Separate Financial Statements: Equity Method in Separate Financial Statements
MFRS 138*#	Intangible Assets: Clarification of Acceptable Methods of Amortisation
MFRS 141*#	Agriculture: Bearer Plants

Annual improvements to MFRSs 2012-2014 Cycle, issued in November 2014*#

Amendments to MFRSs effective 1 January 2017:-

MFRS 107	Statement of Cash Flows: Disclosure Initiative
MFRS 112*#	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

MFRSs and Amendments to MFRSs effective 1 January 2018:-

MFRS 9	Financial Instruments (International Financial Reporting Standards ("IFRS") 9 issued by International Accounting Standards Board ("IASB") in July 2014)
MFRS 15	Revenue from Contracts with Customers
MFRS 15	Clarification to MFRS 15

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

Amendments to MFRS 2 Share-based Payment: Classification and Measurement of Share-based Payment Transactions*#

MFRS effective 1 January 2019:-

MFRS 16*	Leases

Amendments to MFRS (deferred effective date to be announced by the MASB):-

MFRS 10 and 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption MFRS 9, financial assets will be measured at either fair value or amortised cost. 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.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of MFRS 15 will result in a change in accounting policy. The Group and the Company are currently assessing the impact of MFRS 15 and plan to adopt the new standards on the required effective date.

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. As off-balance sheet will no longer be allowed except for some limited practical exemptions, all leases will be brought onto the statements of financial position by recognising a "right-of-use" asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its statements of financial position are expected to increase substantially. The Group is currently examining the financial impact of adopting MFRS 16.

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities.

3.6 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. Estimates and underlying assumptions 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.

3.6.1 Estimation uncertainty

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

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 2 to 50 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 July 2016, 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 5 to the Financial Statements. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting adjustment to the Group's assets.

Impairment of goodwill

An impairment loss is recognised for the amount by which asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results as disclosed in Note 11 to the Financial Statements. These assumptions relate to future events and circumstances.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset 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 adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable value, management takes into account the most reliable evidence available at the times the estimates are made.

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.

Construction contracts

Construction contract accounting requires reliable estimation of the cost to complete the contract and reliable estimate of the stage of contract completion. Using experience gained on each contract and taking into account of the expectation of the time and material required to complete the contract, management used budgeting tools to estimate the profitability of the contract at any time.

Construction contract accounting requires that variations, claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, judgment is required to be made of its probability and revenue is recognised accordingly.

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 future taxable profits 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.

3.6.2 Significant management judgements

The following is significant management judgement 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, 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.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Consolidation

4.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group or the Company are exposed, or have 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 or the Company 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 subsidiaries 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, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries 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.

Subsidiaries 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 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. 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 subsidiaries are presented as if the merger had been effected throughout the current period 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 and any 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 movements in other capital reserves.

4.1.3 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. This includes the separation of embedded derivatives in host contracts by the acquiree.

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.

4.1.4 Non-controlling interests

Non-controlling interests at the end of the reporting period/year, being the equity in a subsidiary 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 are allocated to the non-controlling interests even if that results in a deficit balance.

4.1.5 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. 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, 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.

4.2 Associates

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate 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 is accounted for using the equity method. Under the equity method, investment in an associate 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 since the acquisition date. Goodwill relating to the associate 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 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, 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 are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate 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.

When the Group's share of losses exceeds its interest in an associate, 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.

The financial statements of the associate are prepared as of the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies of the associates 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. The Group determines at each end of the reporting period/year whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate 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.

4.3 Foreign currency translations

4.3.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

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

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

4.3.2 Foreign operations

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

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

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

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

4.4 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.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follow:-

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

Construction in progress consists of construction of buildings for intended use. The amount is stated at cost. Assets under construction are not depreciated until they are completed and ready for their intended use.

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 amounts of the assets and are recognised in profit or loss.

4.5 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.

4.5.1 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.

4.5.2 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 period/year in which they incurred.

4.6 Deferred costs

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

4.7 Financial instruments

4.7.1 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.

4.7.2 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.

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

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. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

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

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

Loans and receivables

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

Available-for-sale financial assets

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

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 instrument 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 period/year.

4.7.3 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 and financial guarantee contracts on their respective 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, amount due to Directors, amount due to non-controlling interests, borrowings, finance lease payables, 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 period/year.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specific debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

4.7.4 Offsetting financial instruments

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

4.8 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.

4.9 Cash and cash equivalents

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

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

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

4.10 Non-current asset held for sale

Non-current asset that is expected to be recovered primarily through sale rather than through continuing use, is classified as held for sale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the asset is remeasured in accordance with the Company's accounting policies. Thereafter generally the asset is measured at the lower of its carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

In addition, equity accounting of equity accounted associate ceases once classified as held for sale.

4.11 Impairment of assets

4.11.1 Impairment of 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 subsidiaries 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.

4.11.2 Impairment of 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.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investment is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost.

Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss - is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairments are recognised directly in other comprehensive income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through 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 asset.

4.12 Construction contracts

Construction contracts are contract specifically negotiated for construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised over the period of contract as revenue and expenses respectively by reference to the percentage of completion of the contract activity as at reporting date. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of contract based on survey of work performed.

When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are probably recoverable and contract costs are recognised as expenses in the period/year in which they incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

4.13 Equity

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

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

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

Warrant reserve is valued based on the theoretical fair value which was arrived by using Black-Scholes Option Pricing Model. 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. Unappropriated profits/accumulated losses include all current period and prior years' unappropriated profits/accumulated losses. All transactions with owners of the Company are recorded separately within equity.

4.14 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.

4.15 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 incurred, borrowing costs are 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 period/year in which they incurred.

4.16 Deferred income

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

4.17 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.

4.17.1 Management fees

Management fees are recognised when services are rendered.

4.17.2 Course fees

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

4.17.3 Rendering of services

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

4.17.4 Rental income

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

4.17.5 Interest income

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

4.17.6 Construction revenue

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

4.18 Employees benefits

4.18.1 Short-term employees benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial period/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 occurred.

4.18.2 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 employees benefits relating to employees services in the current and preceding financial period/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").

4.18.3 Defined benefits plans

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

4.19 Tax expenses

Tax expenses comprise current tax 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.

4.19.1 Current tax

Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period/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 statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

4.19.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements 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.

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.

4.19.3 Goods and services tax

Goods and services tax ("GST") is a consumption tax based on value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input GST that the Group and the Company paid on purchases of business inputs can be deducted from output GST.

Revenues, expenses and assets are recognised net of the amount of GST except:-

(a) where the GST incurred in a purchase of assets or services is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
(b) receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

4.20 Segmental results

4.20.1 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.

4.20.2 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.

4.21 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.

4.22 Related parties

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; or
(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 Group 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 entity or is a member of the key management personnel of the entity; or
(viii) the entity or any member of a group of which it is a part, provides key management personnel services to the Group.

5 PROPERTY, PLANT AND EQUIPMENT

	Freehold buildings RM	Leasehold buildings RM	Construction in progress RM	Leasehold improvement on building RM	Plant and machinery, moveable cabins and tools implements RM	Computers and computer softwares RM	Electrical installation renovation RM	Air-conditioner, signboard, and furniture & fittings RM	Motor vehicles and crane RM	Flying equipment and office equipment RM	Simulators RM	Refueller and skidtank RM	Aircrafts RM	Aircrafts engine RM	Total RM
Group															
Cost															
At 1.4.2014	1,815,000	10,115,968	-	-	1,297,252	1,574,274	1,248,698	734,630	2,126,620	1,098,177	3,828,501	347,841	38,143,284	4,759,742	67,089,987
Additions from acquisition of a subsidiary	-	-	-	35,158	351,271	35,654	-	89,189	-	10,494	-	-	-	-	521,766
Additions	-	-	-	25,062	2,331,082	385,722	60,796	27,389	98,000	83,516	-	-	-	-	3,011,567
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(3,243,533)	-	(3,243,533)
Written off	-	-	-	-	-	(2,094)	-	-	-	(1,250)	-	-	(457,018)	-	(460,362)
Translation	-	-	-	3,453	28,740	2,442	-	6,351	-	748	-	-	-	-	41,734
At 31.3.2015	1,815,000	10,115,968	-	63,673	4,008,345	1,995,998	1,309,494	857,559	2,224,620	1,191,685	3,828,501	347,841	34,442,733	4,759,742	66,961,159
Additions	-	-	225,336	22,004	331,638	115,776	25,426	23,983	119,275	102,972	-	-	1,235,580	-	2,201,990
Disposals	-	-	-	(27,346)	(1,824,632)	-	-	-	-	-	-	-	-	-	(1,851,978)
Written off	-	-	-	-	-	-	-	-	-	-	-	-	(1,134,558)	-	(1,134,558)
Translation	-	-	-	1,287	4,872	457	-	1,689	-	95	-	-	-	-	8,400
At 31.7.2016	1,815,000	10,115,968	225,336	59,618	2,520,223	2,112,231	1,334,920	883,231	2,343,895	1,294,752	3,828,501	347,841	34,543,755	4,759,742	66,185,013
Accumulated depreciation															
At 1.4.2014	103,033	5,428,793	-	-	110,521	821,648	829,383	438,951	902,307	322,664	1,869,781	139,854	5,983,347	3,592,093	20,542,375
Charge for the financial year	36,300	1,023,620	-	23,521	648,324	342,481	128,319	86,655	408,027	65,950	382,850	34,787	1,515,401	746,979	5,443,214
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(242,785)	-	(242,785)
Written off	-	-	-	-	-	(315)	-	(27)	-	(181)	-	-	(109,702)	-	(110,225)
Translation	-	-	-	1,314	2,348	440	-	340	-	106	-	-	-	-	4,548
At 31.3.2015	139,333	6,452,413	-	24,835	761,193	1,164,254	957,702	525,919	1,310,334	388,539	2,252,631	174,641	7,146,261	4,339,072	25,637,127
Charge for the financial period	48,400	1,275,195	-	34,907	889,999	470,550	141,778	110,808	536,559	141,316	442,667	45,691	1,835,202	420,670	6,393,742
Disposals	-	-	-	-	(624,600)	-	-	-	-	-	-	-	-	-	(624,600)
Written off	-	-	-	-	-	-	-	-	-	-	-	-	(221,734)	-	(221,734)
Translation	-	-	-	(124)	(2,449)	(222)	-	(139)	-	(34)	-	-	-	-	(2,968)
At 31.7.2016	187,733	7,727,608	-	59,618	1,024,143	1,634,582	1,099,480	636,588	1,846,893	529,821	2,695,298	220,332	8,759,729	4,759,742	31,181,567
Accumulated impairment loss															
At 1.4.2014/31.3.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognised	-	-	-	-	-	-	-	-	-	-	-	-	3,144,910	-	3,144,910
At 31.7.2016	-	-	-	-	-	-	-	-	-	-	-	-	3,144,910	-	3,144,910
Net carrying amount															
At 31.7.2016	1,627,267	2,388,360	225,336	-	1,496,080	477,649	235,440	246,643	497,002	764,931	1,133,203	127,509	22,639,116	-	31,858,536
At 31.3.2015	1,675,667	3,663,555	-	38,838	3,247,152	831,744	351,792	331,640	914,286	803,146	1,575,870	173,200	27,296,472	420,670	41,324,032

The title deeds for all freehold buildings and a leasehold building with net carrying amount of RM626,750 (31.3.2015: RM645,150) have yet to be issued by the relevant authorities.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) Assets pledged as securities to financial institutions

Net carrying amounts of assets pledged as securities for borrowings are:-

	31.7.2016 RM	31.3.2015 RM
Group		
Freehold buildings	1,627,267	1,675,667
Leasehold building	626,750	645,150
Aircrafts	12,061,740	15,411,279
	14,315,757	17,732,096

(ii) Assets held under finance leases

Net carrying amounts of assets held under finance leases are:-

	31.7.2016 RM	31.3.2015 RM
Group		
Motor vehicles	481,533	884,257
Plant and machinery	-	1,212,000
Flying equipment	252,616	302,514
Simulator	893,363	1,081,440
	1,627,512	3,480,211

Leased assets are pledged as securities for the related finance lease liabilities.

(iii) Impairment of property, plant and equipment

During the financial period, one of the subsidiaries carried out a review of the recoverable amount of its aircrafts as the subsidiary is making gross loss. An impairment of RM3,144,910 (31.3.2015: Nil), representing the write down of aircrafts to their recoverable amount is recognised in "other expenses" line item of the statements of profit or loss and other comprehensive income. The recoverable amount is determined based on fair value less costs to sell.

Fair value hierarchy

Fair value measurement of the aircrafts is categorised as follow:-

Group	31.7.2016
	Level 2
Description	RM
Non-recurring fair value measurement:-	
- aircrafts	15,743,980

There were no transfers between Level 1 and Level 2 during the financial period.

Level 2 fair value

Level 2 fair value of aircrafts is measured internally by management based on observable market information and generally derived using the sales comparison approach. Sales price of comparable aircrafts are adjusted for differences in key attributes such as year of manufacture. There is no change in the valuation technique during the financial period.

6. SUBSIDIARIES

(i) Investment in subsidiaries

	Company 31.7.2016 RM	Company 31.3.2015 RM
Unquoted shares, at cost		
At beginning of period/year	58,201,295	58,201,295
Additions	26,850,004	-
Transfers to subsidiaries	(84,558,936)	-
At end of period/year	492,363	58,201,295
Less: Impairment loss		
At beginning of period/year	(1,676,856)	(492,359)
Recognised	-	(1,184,497)
Reversal	1,184,497	-
At end of period/year	(492,359)	(1,676,856)
	4	56,524,439

Details of the subsidiaries are as follow:-

Name of company	Country of incorporation	Effective interest 31.7.2016 %	Effective interest 31.3.2015 %	Principal activities
APFT Energy Sdn. Bhd.	Malaysia	100	-	Investment holding
APFT Aviation Sdn. Bhd.	Malaysia	100	-	Investment holding
APFT Express Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiaries of APFT Energy Sdn. Bhd.				
PT Technic (M) Sdn. Bhd.	Malaysia	51	51	Mechanical engineering works for oil, gas and petrochemical industries
PTTM Oil & Gas Sdn. Bhd. (formerly known as APFT Oil & Gas Sdn. Bhd.)	Malaysia	100	-	Dormant
Subsidiaries of APFT Aviation Sdn. Bhd.				
Asia Pacific Flight Training Sdn. Bhd.	Malaysia	100	100	Flight education and training and investment holding
APFT Engineering Sdn. Bhd.	Malaysia	100	100	Maintenance, repair and overhaul services for aircrafts

Name of company	Country of incorporation	Effective interest 31.7.2016 %	31.3.2015 %	Principal activities
APFT Services Sdn. Bhd.	Malaysia	100	100	Renting of pilot training aircraft and unscheduled commercial air transport operation and investment holding
APFT Maintenance Training Sdn. Bhd.	Malaysia	100	100	Maintenance training service for aviation industry
Subsidiary of Asia Pacific Flight Training Sdn. Bhd.				
Asia Pacific Flight Training Academy Limited*	India	60	60	Flight education and training
Subsidiary of APFT Services Sdn. Bhd.				
APFT Charter Services Sdn. Bhd. (formerly known as APFT Assets Sdn. Bhd.)	Malaysia	100	100	Dormant

** Not audited by SJ Grant Thornton*

31.7.2016

Incorporation of subsidiaries

During the financial period, the Company incorporated 2 new wholly-owned subsidiaries with cash subscription of:-

(a) RM2, represents 2 ordinary shares of RM1.00 each in APFT Energy Sdn. Bhd. ("APFTE"); and
(b) RM2, represents 2 ordinary shares of RM1.00 each in APFT Aviation Sdn. Bhd. ("APFTA").

During the financial period, the Group acquired 2 ordinary shares of RM1.00 each in PTTM Oil & Gas Sdn. Bhd. ("PTOG"), representing 100% of the total issued and paid up capital of PTOG, for a total cash consideration of RM2.

Additional investments in subsidiaries

During the financial period, the Company subscribed additional 22,000,000 ordinary shares of RM1.00 each in Asia Pacific Flight Training Sdn. Bhd. ("APFTSB") for a total consideration of RM22,000,000 and paid by way of capitalisation of advances to APFTSB.

During the financial period, the Company subscribed additional 4,850,000 ordinary shares of RM1.00 each in APFT Engineering Sdn. Bhd. ("APFTEG") for a total consideration of RM4,850,000 and paid by way of capitalisation of advances to APFTEG.

During the financial period, the Group subscribed additional 2,800,000 ordinary shares of RM1.00 each in APFT Maintenance Training Sdn. Bhd. ("APFTMT") for a total consideration of RM2,800,000 and paid by way of capitalisation of advances to APFTMT.

During the financial period, the Group subscribed additional 99,998 ordinary shares of RM1.00 each in PTOG for a total consideration of RM99,998.

Internal restructuring

During the financial period, the Group performed internal restructuring as follow:-

(a) transfer of 25,000,000 ordinary shares of RM1.00 each in APFTSB, representing 100% of the total issued and paid up capital of APFTSB, from the Company to APFTA for a total consideration of RM46,194,577;

(b) transfer of 5,000,000 ordinary shares of RM1.00 each in APFTEG, representing 100% of the total issued and paid up capital of APFTEG, from the Company to APFTA for a total consideration of RM4,958,938;

(c) transfer of 3,000,000 ordinary shares of RM1.00 each in APFT Services Sdn. Bhd. ("APFTS"), representing 100% of the total issued and paid up capital of APFTS, from the Company to APFTA for a total consideration of RM2,805,421;

(d) transfer of 2,549,999 ordinary shares of RM1.00 each in PT Technic (M) Sdn. Bhd. ("PTTM"), representing 51% of the total issued and paid up capital of PTTM, from the Company to APFTE for a total consideration of RM30,600,000;

(e) transfer of 2,000,000 ordinary shares of RM1.00 each in APFT Charter Services Sdn. Bhd ("APFTCS"), representing 100% of the total issued and paid up capital of APFTCS, from APFTSB to APFTS for a total consideration of RM2,000,000; and

(f) transfer of 3,000,000 ordinary shares of RM1.00 each in APFTMT, representing 100% of the total issued and paid up capital of APFTMT, from APFTSB to APFTA for a total consideration of RM3,000,000.

31.3.2015

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

Fair value of identifiable assets acquired and liabilities assumed

	31.3.2015
	RM
Property, plant and equipment	521,766
Inventories	141,730
Trade receivables	9,612
Other receivables	796,558
Cash and bank balances	641,287
Trade payables	(545,352)
Other payables	(1,099,212)
Total identifiable assets and liabilities	466,389

Net cash inflow arising from acquisition of a subsidiary

	31.3.2015
	RM
Cash and bank balances	641,287

Group

Goodwill arising from business combination

Goodwill is recognised as a result of the acquisition as follow:-

	31.3.2015
	RM
Fair value of consideration transferred	2,954,586
Fair value of identifiable assets acquired and liabilities assumed	(466,389)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	186,555
	2,674,752

(ii) Amount due from subsidiaries

Company	31.7.2016 RM	31.3.2015 RM
Amount due from subsidiaries	95,381,290	21,140,852
Less: Impairment loss		
At beginning of period/year	(354,332)	-
Recognised	(50,237,994)	(354,332)
Reversal	393,197	-
At end of period/year	(50,199,129)	(354,332)
	45,182,161	20,786,520

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

(iii) Non-controlling interests ("NCI") in subsidiaries

Group

The Group's subsidiaries that have material non-controlling interests are as follow:-

31.7.2016	**PT Technic (M) Sdn. Bhd.**	**Asia Pacific Flight Training Academy Limited**	**Total**
Percentage of ownership interest and voting interest held by NCI (%)	49%	40%	
Carrying amount of NCI (RM)	(5,637,860)	(776,796)	(6,414,656)
Loss allocated to NCI (RM)	(9,261,886)	(609,918)	(9,871,804)
31.3.2015			
Percentage of ownership interest and voting interest held by NCI (%)	49%	40%	
Carrying amount of NCI (RM)	3,624,026	(172,224)	3,451,802
Profit/(Loss) allocated to NCI (RM)	437,954	(352,387)	85,567

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

	PT Technic (M) Sdn. Bhd.		**Asia Pacific Flight Training Academy Ltd.**	
	31.7.2016	31.3.2015	31.7.2016	31.3.2015
	RM	RM	RM	RM
Financial position				
Non-current assets	1,945,210	3,768,179	775,699	744,904
Current assets	12,728,375	23,411,841	1,905,541	919,413
Non-current liabilities	(211,252)	(689,838)	(36,493)	(34,021)
Current liabilities	(25,968,171)	(19,094,211)	(4,586,739)	(2,060,857)
Net (liabilities)/assets	(11,505,838)	7,395,971	(1,941,992)	(430,561)
Summary of financial performance				
Revenue	9,958,832	68,083,335	4,161,186	648,633
(Loss)/Profit for the financial period/year	(18,901,809)	893,783	(1,524,795)	(880,968)
Total comprehensive (loss)/income for the financial period/year	(18,901,809)	893,783	(1,511,431)	(896,951)

	PT Technic (M) Sdn. Bhd.		Asia Pacific Flight Training Academy Ltd.	
	31.7.2016	31.3.2015	31.7.2016	31.3.2015
	RM	RM	RM	RM
Summary of cash flows				
Net cash (used in)/from operating activities	(4,417,151)	594,547	721,841	(353,570)
Net cash from/(used in) investing activities	412,884	(1,401,408)	(491,892)	(34,928)
Net cash from/(used in) financing activities	2,928,919	(769,693)	(200,419)	(36,056)
Net (decrease)/increase in cash and cash equivalents	(1,075,348)	(1,576,554)	29,530	(424,554)

7. ASSOCIATE

(i) Investment in an associate

	Group	
	31.7.2016	31.3.2015
	RM	RM
Unquoted shares, at cost		
At beginning of period/year	1,622,725	1,634,640
Share of post-acquisition loss	(24,541)	(11,915)
Transfer to non-current asset held for sale	(1,431,384)	-
Transfer to other investments	(166,800)	-
At end of period/year	-	1,622,725

Details of the associate are as follow:-

Name of company	Country of incorporation	Effective interest 31.7.2016 %	Effective interest 31.3.2015 %	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 material associate and reconciles the information to the carrying amount of the Group's interest in the associate.

	Group
	31.3.2015
	RM
Financial position	
Non-current assets	20,743
Current assets	3,300,642
Net assets	3,321,385
Summary of financial performance	
Net loss/total comprehensive loss for the financial period/year	(24,315)

(ii) Amount due to an associate

Group

Amount due to an associate was non-trade in nature, unsecured, borne no interest and repayable on demand. The outstanding balance in current financial period is reclassified under other payables due to it had ceased to be the Company's associate as at the reporting date.

8. OTHER INVESTMENTS

	Group	
	31.7.2016	31.3.2015
	RM	RM
Unquoted shares, at cost		
Investment in mutual funds	261,537	-
Transfer from investment in an associate	166,800	-
	428,337	-

9. DEFERRED COSTS

		Group	
		31.7.2016	31.3.2015
		RM	RM
Deferred cost		733,588	733,588
Less: Written off		(78,340)	-
		655,248	733,588
Less:	Accumulated amortisation		
	At beginning of period/year	(227,710)	(73,946)
	Recognised	(174,733)	(153,764)
	Written off	23,502	-
	At end of period/year	(378,941)	(227,710)
At end of period/year		276,307	505,878
Represented by:			
- Current		131,050	146,718
- Non-current		145,257	359,160
		276,307	505,878

10. FIXED DEPOSITS WITH LICENSED BANKS

Group

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

The weighted average effective interest rates range from 1.50% to 3.20% (31.3.2015: 1.50% to 3.20%) per annum.

11. GOODWILL ON CONSOLIDATION

		Group	
		31.7.2016	31.3.2015
		RM	RM
At beginning of period/year		31,305,779	28,631,027
Arising from acquisition of a subsidiary		-	2,674,752
		31,305,779	31,305,779
Less:	Accumulated impairment		
	At beginning of period/year	(10,000,000)	-
	Recognised	(2,674,752)	(10,000,000)
	At end of period/year	(12,674,752)	(10,000,000)
At end of period/year		18,631,027	21,305,779

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 follow:-

	Group	
	31.7.2016	31.3.2015
	RM	RM
Flight education and training industry	20,191	2,694,943
Engineering work for oil and gas industry	18,610,836	18,610,836
	18,631,027	21,305,779

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

	Growth Rate		Discount Rate	
	31.7.2016	31.3.2015	31.7.2016	31.3.2015
	%	%	%	%
Aviation	-	38	-	8
Engineering work for oil and gas industry	3	20	9	8

The carrying amount of the cash-generating unit of flight education and training industry (31.3.2015: engineering work for oil and gas industry) amounting to RM2,694,943 (31.3.2015: RM28,610,826) was determined to be higher than its recoverable amount of RM20,191 (31.3.2015: RM18,610,836). Therefore, an impairment loss of RM2,674,752 (31.3.2015: RM10,000,000) was recognised in the profit or loss. 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.

12. INVENTORIES

	Group	
	31.7.2016	31.3.2015
	RM	RM
Materials for students	132,604	295,423
Consumables	1,188,549	1,183,281
	1,321,153	1,478,704
Inventories charged to profit or loss as cost of services	888,849	680,530

13. AMOUNT DUE FROM CONTRACT CUSTOMERS

		Group	
		31.7.2016	31.3.2015
		RM	RM
Contract costs incurred to date		120,980,542	109,391,819
Attributable profits recognised to date		(4,342,364)	11,080,530
Reversal of completed projects		(13,140,682)	-
		103,497,496	120,472,349
Less:	Progress billings issued to date	(112,964,923)	(109,719,049)
	Reversal of completed projects	13,140,682	-
Amount due from contract customers		3,673,255	10,753,300

14. TRADE RECEIVABLES

		Group	
		31.7.2016	31.3.2015
		RM	RM
Trade receivables		11,671,147	11,245,940
Less:	Accumulated impairment loss		
	At beginning of period/year	(3,111,977)	(1,599,609)
	Recognised	(2,093,231)	(1,512,368)
	Reversal	728,834	-
	At end of period/year	(4,476,374)	(3,111,977)
		7,194,773	8,133,963
Retention sum		1,752,023	3,968,209
Accrued billings		-	2,583,446
		8,946,796	14,685,618

Trade receivables are non-interest bearing and are generally on 14 to 60 days (31.3.2015: 14 to 60 days) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

15. OTHER RECEIVABLES

		Group 31.7.2016 RM	Group 31.3.2015 RM
Non-trade receivables		2,689,801	2,486,823
Less:	Accumulated impairment loss		
	At beginning of period/year	(92,770)	(92,770)
	Recognised	(183,414)	-
	At end of period/year	(276,184)	(92,770)
		2,413,617	2,394,053
Deposits for purchase of land and buildings		520,000	-
Other deposits		877,436	759,349
Prepayments		661,187	102,280
		4,472,240	3,255,682

	Company 31.7.2016 RM	Company 31.3.2015 RM
Other deposits	4,203	203
Non-trade receivables	12,738	-
	16,941	203

16. NON-CURRENT ASSET HELD FOR SALE

	Group 31.7.2016 RM	Group 31.3.2015 RM
Transfer from investment in an associate	1,431,384	-

Save as disclosed in Note 37 to the Financial Statements, the Group entered into a sale and purchase agreement with a purchaser to dispose its 44% shareholdings in an associate for a total cash consideration of Rs.5,280,000,000 (approximately RM1,599,840). The transaction is expected to be completed by end of July 2017.

17. SHARE CAPITAL

	Group and Company	
	Number of shares	Amount
	Units	RM
Authorised:-		
Ordinary shares of RM0.20 each		
At 1 April 2014	500,000,000	100,000,000
Created during the financial year	2,000,000,000	400,000,000
At 31 March 2015	2,500,000,000	500,000,000
Par value reduction during the financial period	7,500,000,000	-
Ordinary shares of RM0.05 each		
At 31 July 2016	10,000,000,000	500,000,000
Issued and fully paid:-		
Ordinary shares of RM0.20 each		
At 1 April 2014	308,729,761	61,745,952
Issued during the financial year:-		
- Issuance of shares	6,473,000	1,294,600
At 31 March 2015	315,202,761	63,040,552
Issued during the financial period:-		
- Issuance of shares (at RM0.20 each)	94,560,000	18,912,000
- Settlement of debts owing to a Director (at RM0.20 each)	24,570,024	4,914,005
- Par value reduction	-	(65,149,918)
- Issuance of shares (at RM0.05 each)	43,000,000	2,150,000
Ordinary shares of RM0.05 each		
At 31 July 2016	477,332,785	23,866,639

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.

18. RESERVES

	Group		Company	
	31.7.2016	31.3.2015	31.7.2016	31.3.2015
	RM	RM	RM	RM
Non-distributable:-				
Share premium				
At beginning of period/year	15,477,648	15,614,514	15,477,648	15,614,514
Arising from issuance of shares	149,745	174,771	149,745	174,771
Share issuance expenses	-	(311,637)	-	(311,637)
At end of period/year	15,627,393	15,477,648	15,627,393	15,477,648
Warrants reserve				
At beginning/end of period/year	19,232,500	19,232,500	19,232,500	19,232,500
Discount on shares				
At beginning/end of period/year	(19,232,500)	(19,232,500)	(19,232,500)	(19,232,500)
Translation reserve				
Arising from a foreign subsidiary	(1,572)	(9,591)	-	-
	15,625,821	15,468,057	15,627,393	15,477,648

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 were constituted by a Deed Poll dated 28 June 2013.

The main features of the warrants are as follow:-

(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.

(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 existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

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

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

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

Translation reserve

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

19. MERGER DEFICIT

Group

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

20. DEFERRED TAX LIABILITIES

	Group	
	31.7.2016	31.3.2015
	RM	RM
At beginning/end of period/year	133,555	133,555

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

	Group	
	31.7.2016	31.3.2015
	RM	RM
Property, plant and equipment	133,555	133,555

Unrecognised deferred tax assets

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

	Group	
	31.7.2016	31.3.2015
	RM	RM
Carrying amount of property, plant and equipment in excess of their tax base	22,594,000	28,140,000
Unabsorbed investment tax allowances	(25,737,000)	(24,140,000)
Unabsorbed tax losses	(48,761,000)	(21,764,000)
Unutilised capital allowances	(26,208,000)	(23,800,000)
Others	(4,476,000)	(2,874,000)
	(82,588,000)	(44,438,000)

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.

21. OTHER PAYABLES

	Group	
	31.7.2016	31.3.2015
	RM	RM
Current:		
Other payables	9,197,353	1,150,765
Employees benefits	18,352	17,612
Deposits received	435,028	320,665
Accruals	6,806,527	5,927,460
Advances from contract customers	9,655	2,199,670
	16,466,915	9,616,172
Non-current:		
Employees benefits	36,493	34,072

	Company	
	31.7.2016	31.3.2015
	RM	RM
Current:		
Other payables	622,172	353,300
Accruals	78,530	661,501
	700,702	1,014,801

Other payables consists of the following:-

	Group	
	31.7.2016	31.3.2015
	RM	RM
Amount due to a company in which Directors have interests	4,002	-
Amount due to a related company of non-controlling interests	-	14,563
Amount due to a person connected to Directors	245,585	-

22. BORROWINGS

	Group	
	31.7.2016	31.3.2015
	RM	RM
Secured:		
Current		
Term loans (1)	4,195,196	2,122,410
Term loan (2)	396,277	71,992
Term loans (3)	1,280,860	41,857
Bank overdrafts	2,056,249	2,014,140
	7,928,582	4,250,399
Non-current		
Term loans (1)	-	3,845,137
Term loan (2)	-	392,364
Term loans (3)	-	1,199,158
	-	5,436,659
	7,928,582	9,687,058
Repayment terms:		
- not later than 1 year	7,928,582	4,250,399
- between 1 to 2 years	-	2,439,555
- between 3 to 5 years	-	1,953,453
- later than 5 years	-	1,043,651
	7,928,582	9,687,058

Term loans (1)

Term loans (1) consist of two facilities and bear interest at 1.75% (31.3.2015: 1.75%) above bank's base financing rate per annum, repayable over 72 months and 84 months respectively. However, the subsidiary had defaulted in the repayments which resulted change in the interest rate to current rate of Islamic Money Market Rate during the financial period. The facilities are secured by the following:-

(a) 1st party charge over 20 units of aircrafts of a subsidiary;
(b) Debenture (with negative pledge provision);
(c) Supplemental debenture;
(d) Joint and several guarantee by the Company's Directors;
(e) Security deposit with amount equivalent to the total of the 3 installments each of term loans to be placed under General Investments Account ("GIA") and Memorandum of Deposit with Letter of Set Off to be executed over designated accounts; and
(f) Corporate guarantee by the Company.

Term loan (2)

Term loan (2) was obtained under the name of the Company's Directors and bears interest at 2.20% (31.3.2015: 2.20%) below bank's base lending rate ("BLR") per annum, repayable over 108 months. However, the subsidiary had defaulted in the repayments which resulted change in the interest rate to 1% above bank's BLR during the financial period. The facility is secured by the following:-

(a) Loan agreement and irrecoverable power of attorney;
(b) Private caveat on master title holding the property of a subsidiary;
(c) Original sale and purchase agreement of the property of a subsidiary; and
(d) 3rd party first charge on the property of a subsidiary.

Term loans (3)

Term loans (3) consist of two facilities which regards as “Facility I” and “Facility II”. Term loans (3) obtained bear interest ranging from 1.50% to 1.70% (31.3.2015: 1.50% to 1.70%) below bank’s BLR per annum and are repayable over 240 months. However, the subsidiary had defaulted in repayments which resulted change in the interest rate ranging from 0% to 3.50% above bank’s BLR. The facilities are secured by the following:-

(a) Facility agreements and irrecoverable power of attorney;
(b) Deeds of assignment;
(c) Private caveat on master title holding the properties of a subsidiary;
(d) Original sale and purchase agreements of the properties of a subsidiary;
(e) First party charge on the properties of a subsidiary; and
(f) Joint and several guarantee by the Company’s Director and a person connected to the Company’s Directors.

Bank overdraft

Bank overdraft obtained bears interest ranging from 1.50% to 1.75% (31.3.2015: 1.50% to 1.75%) above bank’s BLR per annum.

Bank overdraft obtained is secured by the following:-

(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.

Defaults on term loan repayments:-

During the financial period, the subsidiary had defaulted in:-

(a) payment of RM4,195,196 on term loans (1) which had been overdue since January 2016;
(b) payment of RM39,173 on term loan (2) which had been overdue since May 2016; and
(c) payment of RM750,260 on term loans (3) which had been overdue since May 2016.

Defaults in the repayments of the above term loans have provided the banks with the rights to demand for immediate repayment of all outstanding amounts. Accordingly, all the above term loans are classified as current liabilities. The subsidiary had on 29 September 2016 made full redemption payment for term loans (1) as disclosed in Note 37(e)(i) to the Financial Statements.

23. FINANCE LEASE PAYABLES

	Group 31.7.2016 RM	Group 31.3.2015 RM
Minimum lease payments		
- not later than 1 year	1,177,695	1,400,994
- between 1 to 2 years	35,496	608,268
- between 3 to 5 years	51,713	561,512
- later than 5 years	-	119,916
	1,264,904	2,690,690
Less: Interest-in-suspense	(98,535)	(222,838)
Present value of finance lease payables	1,166,369	2,467,852
Present value of finance lease payables		
- not later than 1 year	1,088,672	1,285,444
- between 1 to 2 years	29,370	554,223
- between 3 to 5 years	48,327	513,582
- later than 5 years	-	114,603
	77,697	1,182,408
	1,166,369	2,467,852

Certain finance lease payables are secured by way of corporate guarantee by the Company.

Finance lease payables bear interests ranging from 2.44% to 4.00% (31.3.2015: 2.44% to 4.00%) per annum.

Default on finance lease repayments:-

During the financial period, the Group had defaulted in the repayments of RM167,634. As per lease agreements, the finance creditors are contractually entitled to request for immediate repayment of all outstanding amounts and repossess the leased assets. Accordingly, the defaulted finance lease payables are classified as current liabilities.

24. TRADE PAYABLES

Group

Trade payables are non-interest bearing. The normal trade credit terms granted by the trade payables ranging from 30 days to 60 days (31.3.2015: 30 to 60 days). Included in trade payables of the Group amounting to RM63,872 (31.3.2015: RMNil) is an amount due to a related company of non-controlling interests.

25. AMOUNT DUE TO NON-CONTROLLING INTERESTS

Group

Amount due to non-controlling interests is trade in nature, unsecured, bears interest at 18% (31.3.2015: 18%) per annum on the overdue balance of RM200,419 (31.3.2015: RM1,155,421) and has a credit term of 18 to 45 days (31.3.2015: 45 days).

26. AMOUNT DUE TO DIRECTORS

Group

Amount due to Directors is unsecured, bears no interest and repayable on demand except for RM6,429,129 (31.3.2015: RM14,645,586) of the Group bears interest at 8.35% (31.3.2015: 8.35%) per annum.

Company

Amount due to a Director was unsecured, borne no interest and repayable on demand.

27. DEFERRED INCOME

Group

Deferred income represents deferred course fees income.

28. REVENUE

	Group		**Company**	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Management fee	-	-	644,916	1,251,728
Course fees	16,751,971	16,419,070	-	-
Rendering of services	-	5,843	-	-
Rental income	139,085	23,075	-	-
Aircraft maintenance services	105,227	-	-	-
Contract revenue	9,958,832	68,083,335	-	-
	26,955,115	84,531,323	644,916	1,251,728

29. LOSS BEFORE TAX

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

	Group		Company	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Audit fees				
- Statutory audit	194,500	168,500	55,000	45,000
- other external auditor	13,904	8,595	-	-
- other services	6,800	6,000	6,000	6,000
Amortisation of deferred costs	174,733	153,764	-	-
Bad debts written off	6,738	138,618	-	-
Deferred costs written off	54,838	-	-	-
Depreciation	6,393,742	5,443,214	-	-
Directors' fee	129,600	151,500	129,600	121,500
Directors' remuneration	1,207,901	2,431,584	1,140,960	1,359,981
Impairment loss on:				
- trade receivables	2,093,231	1,512,368	-	-
- other receivables	183,414	-	-	-
- amount due from subsidiaries	-	-	50,237,994	354,332
- investment in subsidiaries	-	-	-	1,184,497
- goodwill	2,674,752	10,000,000	-	-
- property, plant and equipment	3,144,910	-	-	-
Interest expenses:				
- term loans	612,219	685,149	-	-
- hire purchase	127,836	215,438	-	-
- bank overdrafts	223,811	242,517	-	-
- NCI	203,284	37,690	-	-
- Director	921,357	1,041,011	-	-
Loss/(Gain) on disposal of property, plant and equipment	482,781	(233,072)	-	-
Realised (gain)/loss on foreign exchange	(16,448)	7,312	-	-
Unrealised (gain)/loss on foreign exchange	(16,722)	20,213	-	-
Rental expenses:				
- aircraft	786,735	951,248	-	-
- condominium	285,541	184,392	-	-
- equipment	1,113,788	8,468,917	-	-
- hangar	-	17,470	-	-
- land	78,408	626,662	-	-
- land for skidtank	500,672	4,000	-	-
- office	1,696,952	1,037,304	-	-
- office equipment	91,090	21,250	-	-
- motor vehicles	68,207	100	-	-
Property, plant and equipment written off	912,824	350,137	-	-
Reversal of impairment loss on:				
- amount due from subsidiaries	-	-	(393,197)	-
- trade receivables	(728,834)	-	-	-
- investment in subsidiaries	-	-	(1,184,497)	-
Gain on disposal of other investments	(28,705)	-	-	-
Bad debts recovered	(1,200)	-	-	-
Rental income	(344,041)	(236,729)	-	-
Interest income	(29,947)	(17,529)	(7,392)	(353)

The details of Directors' remuneration of the Group and of the Company during the financial period/year are as follow:-

	Group		Company	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Executive:-				
Salaries and other emoluments	1,069,600	2,212,132	1,009,600	1,258,561
Directors' fee	-	30,000	-	-
Defined contribution plan	113,360	79,920	106,560	79,920
Other benefits	24,941	139,532	24,800	21,500
	1,207,901	2,461,584	1,140,960	1,359,981
Non-executive:-				
Directors' fee	129,600	121,500	129,600	121,500
	1,337,501	2,583,084	1,270,560	1,481,481

30. TAX (INCOME)/EXPENSES

	Group	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Current tax:		
- Current period/year provision	-	245,610
- (Over)/under provision of taxation in prior year	(11,925)	9,968
	(11,925)	255,578

Malaysian income tax is calculated at the statutory tax rate of 24% (31.3.2015: 25%) of the estimated assessable profits for the financial period/year. The corporate tax rate reduces to 24% for the year of assessment 2016 as announced in Malaysia Budget 2014 and the deferred taxation is measured at 24%.

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 follow:-

	Group	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Loss before tax	(44,585,463)	(21,710,197)
Income tax at rate of 24% (31.3.2015: 25%)	(10,700,511)	(5,427,549)
Tax effect in respect of:-		
Expenses not deductible for tax purposes	1,496,747	3,599,516
Income not subject to tax	(85,236)	(134,357)
Deferred tax assets not recognised	9,289,000	2,208,000
(Over)/under provision of taxation in prior year	(11,925)	9,968
Total tax (income)/expense at effective tax rate	(11,925)	255,578

31. LOSSES PER SHARE

Group

Basic losses per ordinary share

Basic losses 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 follow:-

	Group	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Net losses for the financial period/year attributable to ordinary shares holders of the Company (RM)	34,701,734	22,051,342
Weighted average number of ordinary shares in issue (unit)	408,350,805	314,691,651
Basic losses per share (sen)	8.50	7.01

Diluted losses per ordinary share

Diluted losses 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.

32. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Directors' remuneration	1,207,901	2,431,584	1,140,960	1,359,981
Salaries and other emoluments	15,825,877	15,015,977	353,573	285,000
Defined contribution plan	1,573,510	1,290,837	42,548	30,126
Social security contributions	153,086	113,614	3,330	2,376
Other benefits	572,601	290,558	22,237	5,981
	19,332,975	19,142,570	1,562,648	1,683,464

33. RELATED PARTY DISCLOSURES

(a) Related party transactions

The significant related party transactions of the Group and of the Company are as follow:-

	Group		Company	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Management fee charged to subsidiaries	-	-	644,916	1,251,728
Interest charged by a Director	921,357	1,041,011	-	-
Billings on contract works performed by NCI	-	21,913,186	-	-
Supply of manpower from NCI	-	153,313	-	-
Supply of manpower to NCI	401,928	632,047	-	-
Rental income from NCI	-	176,000	-	-
Interest payable to NCI	203,284	37,690	-	-
Service fees charged by NCI	-	221,693	-	-
Transfer of investment in subsidiaries to other subsidiaries	-	-	84,558,936	-

(b) Outstanding balances arising from related party transactions

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6,7,21, 25 and 26 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 Group and the Company, either directly or indirectly.

The remuneration of key management personnel which includes the Directors' remuneration is disclosed as follow:-

	Group		Company	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Salaries and other short-term employees benefits	2,471,107	3,372,313	1,342,888	1,551,261

34. CONTINGENT LIABILITIES

	Company	
	31.7.2016 RM	31.3.2015 RM
Unsecured:-		
Corporate guarantee granted to subsidiaries for:		
- banking facilities and finance lease facility	6,749,301	8,741,107
- projects secured	37,599,752	-
	44,349,053	8,741,107

	Group	
	31.7.2016 RM	31.3.2015 RM
Sub-contractor claims for manpower supply	2,386,167	-

Having considered legal advice from the external legal counsel, the Directors are of the opinion that the possibility of outflow is not probable and therefore, no provision is required to be made.

35. OPERATING SEGMENT

Operating segments are components in which separate financial information is available that is evaluated regularly by the 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, maintenance training service, rental of aircrafts, maintenance and repair services for pilot training aircrafts.

Group	Note	Flight education and training RM	Mechanical engineering works and services RM	Others RM	Eliminations / adjustments RM	Total RM
31.7.2016						
Revenue:						
External revenue		15,236,065	9,958,832	1,760,218	-	26,955,115
Inter-segment	i	-	-	4,962,479	(4,962,479)	-
Total revenue		15,236,065	9,958,832	6,722,697	(4,962,479)	26,955,115
Results:						
Interest income		22,555	-	7,392	-	29,947
Finance costs		(2,038,662)	(46,335)	(3,510)	-	(2,088,507)
Amortisation of deferred costs		(174,733)	-	-	-	(174,733)
Depreciation		(5,051,907)	(1,051,488)	(290,347)	-	(6,393,742)
Other non-cash expenses	ii	(3,442,410)	-	(200,004)	-	(3,642,414)
Share of loss of associate		(24,541)	-	-	-	(24,541)
Tax income		-	11,925	-	-	11,925
Segment loss		(18,159,013)	(18,901,809)	(103,898,500)	96,385,784	(44,573,538)
Assets:						
Additions to non-current assets	iii	1,833,071	368,919	-	-	2,201,990
Segment assets		38,885,566	14,673,585	96,166,813	(94,680,931)	55,045,033
Liabilities:						
Segment liabilities		46,971,316	26,179,423	94,290,268	(108,359,347)	59,081,660

Group	Note	Flight education and training RM	Mechanical engineering works and services RM	Others RM	Eliminations / adjustments RM	Total RM
31.3.2015						
Revenue:						
External revenue		14,561,957	68,083,335	1,886,031	-	84,531,323
Inter-segment	i	-	-	3,378,495	(3,378,495)	-
Total revenue		14,561,957	68,083,335	5,264,526	(3,378,495)	84,531,323
Results:						
Interest income		17,170	6	353	-	17,529
Finance costs		(2,099,369)	(111,985)	(10,451)	-	(2,221,805)
Amortisation of deferred costs		(153,764)	-	-	-	(153,764)
Depreciation		(4,259,938)	(832,537)	(350,739)	-	(5,443,214)
Other non-cash expenses	ii	(348,856)	(1,281)	-	(10,000,000)	(10,350,137)
Share of loss of associate		(11,915)	-	-	-	(11,915)
Tax expenses		(10,984)	(244,344)	(250)	-	(255,578)
Segment (loss)/ profit		(14,318,276)	893,783	(4,115,495)	(4,425,787)	(21,965,775)
Assets:						
Investment in an associate		1,622,725	-	-	-	1,622,725
Additions to non-current asset	iii	442,532	2,527,408	41,627	-	3,011,567
Segment assets		48,182,041	27,180,020	86,448,321	(84,788,772)	77,021,610
Liabilities:						
Segment liabilities		60,122,143	19,784,049	14,549,030	(29,156,656)	65,298,566

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 consist of the following items:-

	Group	
	1.4.2015 to 31.7.2016 RM	1.4.2014 to 31.3.2015 RM
Deferred costs written off	(54,838)	-
Impairment loss on goodwill	(2,674,752)	(10,000,000)
Property, plant and equipment written off	(912,824)	(350,137)
	(3,642,414)	(10,350,137)

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

	Group	
	31.7.2016	31.3.2015
	RM	RM
Property, plant and equipment	2,201,990	3,011,567

Geographical information

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

	Revenue		Non-current assets	
Group	1.4.2015 to 31.7.2016	1.4.2014 to 31.3.2015	31.7.2016	31.3.2015
	RM	RM	RM	RM
Malaysia	22,793,929	83,882,690	49,975,401	59,395,566
India	4,161,186	648,633	514,162	3,234,245
	26,955,115	84,531,323	50,489,563	62,629,811

Information about major customers

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

	Revenue	
	1.4.2015 to 31.7.2016	1.4.2014 to 31.3.2015
	RM	RM
Customer A	4,690,910	17,497,938
Customer B	-	13,686,450
Customer C	-	17,402,417
Customer D	4,512,543	-

36. FINANCIAL INSTRUMENTS

36.1 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and Company's businesses whilst managing their risks. The Group and the Company operate 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 follow:-

36.1.1 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:-

Receivables

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

Ageing analysis of trade receivables

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

Group	Gross RM	Individually impaired RM	Net RM
31.7.2016			
Not past due	3,898,322	-	3,898,322
Past due 1 - 30 days	26,995	-	26,995
Past due more than 61 days	9,497,853	(4,476,374)	5,021,479
	13,423,170	(4,476,374)	8,946,796
31.3.2015			
Not past due	6,648,865	-	6,648,865
Past due 1 - 30 days	172,248	-	172,248
Past due 31 - 60 days	904,594	-	904,594
Past due more than 61 days	7,488,442	(3,111,977)	4,376,465
	15,214,149	(3,111,977)	12,102,172

The Group has trade receivables amounting to RM5,048,474 (31.3.2015: RM5,453,307) 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 Directors are of the view that the amounts are recoverable.

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

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

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

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty other than 69% (31.3.2015: 59%) of trade receivables were due from 3 debtors (31.3.2015: 3 debtors).

Intercompany loans and advances

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

As at the end of the reporting period/year, there was no indication that the net carrying amount of amount due from subsidiaries are not recoverable, other than those disclosed in Note 6(ii) to the Financial Statements.

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.

Financial guarantees

The maximum exposure to credit risk is RM44,349,053 (31.3.2015: RM8,741,107), represented by the outstanding banking facilities and finance lease facility of a subsidiary and contract value of the projects secured by another subsidiary as at the reporting date. The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowing and finance lease payable in view of the securities pledged by the subsidiary. In addition, there was no indication that another subsidiary could not perform the contracts for works in accordance with the contracts' term.

36.1.2 Liquidity risk

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

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

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

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

Group			Current ◄	Non-current		►
	Carrying amount RM	Undiscounted contractual cash flows RM	Less than 1 year RM	Between 1 to 2 years RM	Between 3 to 5 years RM	More than 5 years RM
31.7.2016						
Non-derivative financial liabilities						
Secured:						
Borrowings	7,928,582	7,928,582	7,928,582	-	-	-
Finance lease payables	1,166,369	1,264,904	1,177,695	35,496	51,713	-
	9,094,951	9,193,486	9,106,277	35,496	51,713	-
Unsecured:						
Trade payables	20,828,719	20,828,719	20,828,719	-	-	-
Other payables	16,503,408	16,503,408	16,466,915	36,493	-	-
Amount due to non-controlling interests	2,419,229	2,419,229	2,419,229	-	-	-
Amount due to Directors	7,652,559	7,652,559	7,652,559	-	-	-
	47,403,915	47,403,915	47,367,422	36,493	-	-
Total	56,498,866	56,597,401	56,473,699	71,989	51,713	-
31.3.2015						
Non-derivative financial liabilities						
Secured:						
Borrowings	9,687,058	11,016,753	4,805,998	2,758,612	2,059,719	1,392,424
Finance lease payable	2,467,852	2,690,690	1,400,994	608,268	561,512	119,916
	12,154,910	13,707,443	6,206,992	3,366,880	2,621,231	1,512,340
Unsecured:						
Trade payables	16,135,636	16,135,636	16,135,636	-	-	-
Other payables	9,650,244	9,650,244	9,616,172	34,072	-	-
Amount due to non-controlling interests	3,334,539	3,334,539	3,334,539	-	-	-
Amount due to an associate	1,145,840	1,145,840	1,145,840	-	-	-
Amount due to Directors	20,247,497	20,247,497	20,247,497	-	-	-
	50,513,756	50,513,756	50,479,684	34,072	-	-
Total	62,668,666	64,221,199	56,686,676	3,400,952	2,621,231	1,512,340

Company

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

36.1.3 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 currency giving rise to this risk is primarily Indonesia Rupiah ("IDR") which is arising mainly from the advances from the associate amounting to RM1,043,261 (31.3.2015: RM1,145,840) which was reclassified as other payable in current financial period. The sensitivity of the Group's loss for the financial period/year to reasonably possible change in IDR is minimal.

36.1.4 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 is as follow:-

	Group	
	31.7.2016	31.3.2015
	RM	RM
Fixed rate instruments		
Fixed deposits with licensed banks	112,625	678,569
Amount due to Directors	(6,429,129)	(14,645,586)
Amount due to non-controlling interests	(200,419)	(1,155,421)
Finance lease payables	(1,166,369)	(2,467,852)
Floating rate instrument		
Borrowings	(7,928,582)	(9,687,058)

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

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

Group	(Increase)/ Decrease in loss for the financial period/year	
	RM	RM
	+0.5%	-0.5%
Floating rate instrument		
31 July 2016	(39,643)	39,643
31 March 2015	(48,435)	48,435

36.2 Fair values

The fair values of financial assets and financial liabilities of the Group and of the Company are reasonable approximation of their carrying amounts of the statements of financial position due to their short-term nature or that they are floating rate instruments that 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 investments in unquoted shares and mutual funds 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 these investments in the near future.

36.3 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. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE FINANCIAL PERIOD

(a) Private Placement

Placement I
On 21 July 2014, the Company proposed to undertake private placement of up to 118,110,000 new ordinary shares of RM0.20 each, representing up to approximately 30% of the issued and paid-up share capital of the Company.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") had approved the abovesaid on 29 August 2014 and the private placement of 94,560,000 new ordinary shares were fully completed on 28 October 2015.

Placement II
On 1 July 2016, the Company proposed to undertake private placement of up to 51,283,200 new ordinary shares of RM0.05 each, representing up to 10% of the issued and paid-up share capital of the Company.

Bursa Malaysia had approved the abovesaid on 14 July 2016. 43,000,000 new ordinary shares were issued on 29 July 2016 at RM0.05 each.

(b) Capitalisation Of Debts Owing To A Director

On 13 July 2015, the Company proposed to undertake a settlement of debts owing to a Director of the Company via the issuance of 24,570,024 new ordinary shares of RM0.20

each in the Company ("Settlement Shares") at an issue price of RM0.2035 per Settlement Share. It was approved by Bursa Malaysia and shareholders via Extraordinary General Meeting on 5 August 2015 and 21 September 2015 respectively. This capitalisation of debts was completed on 28 September 2015.

(c) Par Value Reduction

On 6 April 2016, the Company proposed to undertake a reduction of the issued and paidup share capital of the Company via the cancellation of RM0.15 of the par value of every existing ordinary share of RM0.20 each to RM0.05 each in the Company. It was approved by the shareholders via Extraordinary General Meeting held on 27 April 2016. High Court of Malaya had on 23 June 2016 granted an order confirming the par value reduction and a copy of the sealed order was lodged with Companies Commission of Malaysia on 11 July 2016. This par value reduction was completed on the same date.

(d) Acquisition Of Land And Buildings

On 24 August 2015, APFT Maintenance Training Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a vendor to acquire 4 pieces of land located in Kota Bharu, Kelantan together with 4 contiguous units of 4 storey terraced shop/offices for a total consideration of RM5,200,000. A deposit of RM520,000 as disclosed in Note 15 to the Financial Statements was paid during the financial period. The deal was called off subsequent to the financial period and such deposit was refunded subsequent to the financial period.

(e) Defaulted Payments

(i) During the financial period, a subsidiary had defaulted in the repayments of term loans (1) as disclosed in Note 22 to the Financial Statements.

A banker ("the plaintiff") requested for immediate repayment on the overdue amounts on 18 March 2016, recalled and cancelled the banking facilities granted to the subsidiary on 26 April 2016. On 15 July 2016, the plaintiff's solicitors issued a writ of summon and statement of claim to the subsidiary and stated that the subsidiary failing to settle the total outstanding amount of RM4,167,134 (as at 30 June 2016) for Murabahah Tawarruq facilities granted by the plaintiff.

On 24 August 2016, the plaintiff appointed a Receiver and Manager to undertake the assets of the subsidiary as per the provisions stipulated in the Debenture. On 29 September 2016, the subsidiary had made full redemption payment to the plaintiff based on the redemption statement cum letter of undertaking from the plaintiff dated 20 September 2016. Subsequently, receivership was terminated on 30 September 2016.

(ii) During the financial period, a subsidiary had defaulted in repayments of term loan (2) as disclosed in Note 22 to the Financial Statements.

On 2 August 2016, the banker requested for immediate repayment on the overdue amount of RM39,173 (as at 2 August 2016) for the facility obtained under the name of the Company's Directors. The subsidiary is negotiating with the banker as at the date of this report.

(iii) During the financial period, a subsidiary had defaulted in the repayments of term loans (3) as disclosed in Note 22 to the Financial Statements.

On 11 July 2016, the banker requested for immediate repayment of the whole outstanding amount of RM729,760 (as at 4 July 2016) for Facility I granted to the subsidiary.

On 10 August 2016, the banker requested for immediate repayment on the overdue amount of RM10,699 (as at 4 August 2016) for Facility II granted to the subsidiary.

On 8 November 2016, the banker's solicitors issued letters of demand to request for immediate repayment of the whole outstanding amount of RM746,986 (as at 18 October 2016) for Facility I and RM550,838 (as at 18 October 2016) for Facility II.

The subsidiary is negotiating with the banker as at the date of this report.

(iv) During the financial period, certain subsidiaries had defaulted in the repayments of finance lease on a simulator and 17 units of motor vehicles as disclosed in Note 23 to the Financial Statements. On 20 September 2016, the finance creditor of simulator requested for immediate repayment of the whole outstanding amount of RM498,764 (as at 13 September 2016). Those subsidiaries had not make any negotiation with the finance creditors as at the date of this report except for the finance creditor of simulator. No legal proceedings were initiated by the finance creditors as at the date of this report.

(v) On 26 April 2016 and 13 July 2016, the Group received legal notices of demand from Lembaga Kumpulan Wang Simpanan Malaysia ("KWSP") due to default in the payment of contributions for the following months:-

Period of default	Contributions in arrears RM
March 2014 to March 2016	3,576,678
Less: repayment	(640,657)
Balance outstanding as at 31 March 2016	2,936,021

The Group had made repayment arrangement with KWSP by way of 10 monthly installment for total outstanding balances of RM592,957 and had subsequently paid RM240,576 to KWSP as at the date of this report. No legal proceedings were initiated by KWSP as at the date of this report.

(vi) There were letters of demand, writ of summon and statement of claim received from certain suppliers to request for immediate payment from two of the subsidiaries on the total outstanding amount of RM4,441,570. One of the subsidiaries had subsequently paid RM40,386 to one of the suppliers. No legal action was taken against the two subsidiaries as at the date of this report.

(f) Disposal Of Investment In An Associate

On 18 May 2016, a subsidiary entered into a sale and purchase agreement with a purchaser to dispose its 44% shareholdings, represent 5,280 units of shares in the associate for a total cash consideration of Rs.5,280,000,000 (approximately RM1,599,840). On 19 September 2016, a supplemental letter was issued by the subsidiary and the purchaser agreed to make payment by end of July 2017. There is no further update as at the date of this report.

38. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as issue new shares or sell assets to reduce debts.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total net external borrowings divided by total equity. Net debt is calculated as net external borrowings less fixed deposits with licensed banks and cash and bank balances.

There were no changes in the Group's approach to capital management during the financial period.

The debt-to-equity ratio of the Group as at the end of the reporting period/year is as follows:-

	Group	
	31.7.2016	31.3.2015
	RM	RM
Term loans	5,872,333	7,672,918
Bank overdraft	2,056,249	2,014,140
Finance lease payables	1,166,369	2,467,852
	9,094,951	12,154,910
Less: fixed deposits with licensed banks	(112,625)	(678,569)
Less: cash and bank balances	(2,398,401)	(1,987,811)
	6,583,925	9,488,530
Total equity	14,594,400	33,028,823
Debt-to-equity ratio	0.45	0.29

39. COMPARATIVE FIGURES

The financial year end of the Group and of the Company had changed from 31 March 2016 to 31 July 2016 to facilitate the efficiency in financial reporting. The comparative figures are for the period from 1 April 2014 to 31 March 2015. 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.

40. DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

Bursa Malaysia Securities Berhad had on 25 March 2010 and 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 issued on 20 December 2010 by the Malaysian Institute of Accountants are as follow:-

	Group		Company	
	31.7.2016	31.3.2015	31.7.2016	31.3.2015
	RM	RM	RM	RM
Total (accumulated losses)/ unappropriated profits of the Group and of the Company				
- realised	(105,616,030)	(29,769,691)	7,156,560	(7,359,112)
- unrealised	(116,833)	(153,768)	-	-
	(105,732,863)	(29,923,459)	7,156,560	(7,359,112)
Consolidation adjustments	108,249,457	1,991,869	-	-
	2,516,594	(27,931,590)	7,156,560	(7,359,112)

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

The above disclosures were reviewed and approved by the Board of Directors in accordance with a resolution of the Directors passed on 17 November 2016.

ANALYSIS ON SHAREHOLDINGS AS AT 31/10/2016

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

Name of Directors	< -------Direct-------- > No. of Shares	%	< -------Indirect------ > No. of Shares	%
Dato' Faruk Bin Othman	83,002,422	17.39	766,754 (1)	0.16
Arif Bin Faruk	300,000	0.05	83,469,176 (2)	17.49
Tan Nyap Keong @ Tony Tan	-	-	-	-
Nik Din Bin Nik Sulaiman	-	-	-	-
Dato' Azmi Bin Abdullah	-	-	-	-

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

Substantial Shareholder	< -------Direct-------- > No. of Shares	%	< -------Indirect------ > No. of Shares	%
Dato' Faruk Bin Othman	83,002,422	17.39	766,754 (1)	0.16
Arif Bin Faruk	3,000,000	0.63	83,469,176 (2)	17.49
Aida Binti Faruk	211,000	0.04	83,558,176 (3)	17.51
Aisyah Binti Faruk	250,000	0.05	83,519,176 (4)	17.50

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

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

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

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

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	9	0.31	111	0.00
100 - 1,000	546	18.67	112,996	0.02
1,001 - 10,000	509	17.41	3,617,178	0.76
10,001 - 100,000	1,279	43.74	61,676,460	12.92
100,001 - 23,866,638 (*)	580	19.84	356,346,040	74.70
23,866,639 AND ABOVE (**)	1	0.03	55,580,000	11.60
TOTAL :	**2,924**	**100.00**	**477,332,785**	**100.00**

*Remark : * - Less Than 5% Of Issued Shares*
*** - 5% And Above Of Issued Shares*

INFORMATION ON DIRECTORS HOLDINGS

(as per Record of Register of Directors' Shareholdings)

Name	Nationality/ Country of Incoporation	Holdings	%
Arif Bin Faruk	Malaysian	300,000	0.062
Dato' Azmi Bin Abdullah	Malaysian	0	0.000
Faruk Bin Othman	Malaysian	2,024	0.000
Hsbc Nominees (Tempatan) Sdn Bhd BSI SA for Faruk Bin Othman	Malaysia	55,580,000	11.643
Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Faruk Bin Othman	Malaysia	362,398	0.075
BI Nominees (Tempatan) Sdn Bhd Faruk Bin Othman	Malaysia	11,700,000	2.451
RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Faruk Bin Othman	Malaysia	9,275,000	1.943
Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Faruk Bin Othman	Malaysia	2,625,000	0.549
Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Faruk Bin Othman	Malaysia	3,458,000	0.724
Nik Din Bin Nik Sulaiman	Malaysian	0	0.000
Tan Nyap Keong @ Tony Tan	Malaysian	0	0.000
Subtotal :		**83,302,422**	**17.447**

Remarks : The above information reflect shares/securities registered directly in the name of the directors (as holders/depositors) or registered in nominee company name with Beneficiary name disclosed. Kindly take note that you need to adjust the directors' holdings/securities in table a according to information maintained by you in the register of directors' holdings to include the indirect holdings (if any), as we are not privy to such information.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No..	Name Of Shareholders	Holdings	%
1.	HSBC Nominees (Tempatan) Sdn Bhd *BSI for Faruk Bin Othman*	55,580,000	11.643
2.	Chang Ai Nee	13,500,000	2.828
3.	BI Nominees (Tempatan) Sdn Bhd Faruk Bin Othman	11,700,000	2.451
4.	Chin Sin Hong	11,685,300	2.448
5.	Su Ming Yaw	10,941,500	2.292
6.	Su Ming Ming	10,000,000	2.094
7.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Faruk Bin Othman	9,275,000	1.943
8.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Su Ming Keat	9,000,000	1.885
9.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Weng Choy	6,500,000	1.361
10.	Goh Kheng Hock	6,280,000	1.315
11.	Nyon Ching Kong	6,120,000	1.282
12.	Cheah Hock Choon	6,000,000	1.256
13.	Su Ming Keat	5,300,042	1.110
14.	Ismail Bin Asha'ari	5,150,000	1.078
15.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Yap Ching Loon (Smart)	4,700,000	0.984
16.	Ang Leng	4,345,000	0.910
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Faruk Bin Othman (8093103)	3,458,000	0.724
18.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd For Lee Shyue Woon	3,000,000	0.628
19.	Su Ming Huey	3,000,000	0.628
20.	Ooi Khai Huat	2,700,000	0.565

No..	Name Of Shareholders	Holdings	%
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Faruk Bin Othman (7000895)	2,625,000	0.549
22.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Khoo Yik Chou (Sta1)	2,550,000	0.534
23.	Francis Chai Kim Lung	2,500,000	0.523
24.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Ka Kiat	2,500,000	0.523
25.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An For Bank Of Singapore Limited	2,300,000	0.481
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teoh Eng Hoe	2,000,000	0.418
27.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Lim Bun Hwa (Smart)	2,000,000	0.418
28.	Goh Hock Hun	2,000,000	0.418
29.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Md Alfee Bin Ahmad (E-Pra)	2,000,000	0.418
30.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Chow Yin (E-Skn)	1,900,000	0.398
Total		**210,609,842**	**44.122**

SUBSTANTIAL HOLDERS' HOLDINGS (as per Record of Register of Substantial Shareholders)

No..	Name Of Shareholders	Holdings	%
1.	BI Nominees (Tempatan) Sdn Bhd Faruk Bin Othman	55,580,000	11.643
Total		**55,580,000**	**11.643**

ANALYSIS ON WARRANT HOLDINGS AS AT 31/10/2016

ANALYSIS BY SIZE OF HOLDINGS (as per Record of Register of Directors' Shareholdings)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	478	35.88	23,595	0.03
100 - 1,000	80	6.01	50,205	0.06
1,001 - 10,000	236	17.72	1,326,150	1.69
10,001 - 100,000	371	27.85	18,296,100	23.31
100,001 - 3,924,999 (*)	167	12.54	58,803,950	74.91
3,925,000 AND ABOVE (**)	0	0.00	0	0.00
TOTAL :	**1,332**	**100.00**	**78,500,000**	**100.00**

*Remark : * - less than 5% of issued warrants*
*** - 5% And above of issued warrants*

INFORMATION ON DIRECTORS HOLDINGS

Name	Nationality/ Country of Incoporation	Holdings	%
Arif Bin Faruk	Malaysian	0	0.000
Dato' Azmi Bin Abdullah	Malaysian	0	0.000
Faruk Bin Othman	Malaysian	0	0.000
Nik Din Bin Nik Sulaiman	Malaysian	0	0.000
Tan Nyap Keong @ Tony Tan	Malaysian	0	0.000
Subtotal :		**0**	**0.000**

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No..	Name Of Shareholders	No. of Warrants	%
1.	Chong Mee Fah @ Frederick Chong	2,292,200	2.920
2.	Tan Ooi Chew Keong	1,788,000	2.277
3.	Chin Chin Moi	1,550,000	1.974
4.	Ong Bok Lim	1,200,000	1.528
5.	Lau Sze Yong	1,100,000	1.401
6.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sim Pui Yee	970,000	1.235
7	CIMSEC Nominees (Tempatan) Sdn Bhd Cimb Bank For Sharon Saw Shu Mei	930,500	1.185
8	Tan Pei Yee	900,000	1.146
9	Lee Wei Pin	852,600	1.086
10	Tan Choi Khow	828,300	1.055
11	Ho Chin Cheow	820,000	1.044
12	Lim Chi-Ming Charles	814,500	1.037
13	Lim Swee Guan	805,000	1.025
14	Rajendran A/L Harinarayanan	805,000	1.025
15	Ooi Khai Huat	800,000	1.019
16	Cheh Keat Mooi	700,000	0.891
17	Tan Mooi Heok	700,000	0.891
18	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Cheh Kah Yee	698,300	0.889
19	Ong Guan Sing	660,000	0.840
20	Amrulqays Bin Maarof	632,000	0.805

No..	Name Of Shareholders	No. of Warrants	%
21	Lai Tai Loy	626,200	0.797
22	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An For Bank Of Singapore Limited	616,300	0.785
23	Nur Safia Chan Binti Abdullah	600,000	0.764
24	Yeow Chun Seong	600,000	0.764
25	Affin Hwang Investment Bank Berhad	565,000	0.719
26	Maybank Nominees (Tempatan) Sdn Bhd Wong Wai Hong	550,000	0.700
27	Tiew Kian Yeap	550,000	0.700
28	Ahmad Kamal Hakimi Bin Awang	525,800	0.669
29	Hlib Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Loon Yeow	503,200	0.641
30	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Cheh Kah On	500,000	0.636
Total		25,482,900	32.462

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
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	3	738,933	31/10/2011
Asia Pacific Flight Training Sdn Bhd	Office Premise currently used as corporate office	Suite 50-5-5, 5th Floor Wisma UOA Damansara, No 50, Jalan Dungun, Bukit Damansara, 50490 Kuala Lumpur	Freehold	N/A / 1,956 sq ft	10	888,333	10/03/2010
Asia Pacific Flight Training Sdn Bhd	3-storey shophouse	1661, Commercial Area Bandar Baru Kubang Kerian,16150 Kota Bharu, Kelantan.	Leasehold	N/A / 377.38 sq. m	7	626,750	20/06/2011

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PROXY FORM
APFT BERHAD
(No. 886873-T) (Incorporated in Malaysia)

I/We ____
of ____
being a member of **APFT BERHAD** hereby appoint ________________________________
____
of ____,
or failing whom ____
of ____,
or failing whom, CHAIRMAN OF THE MEETING as my / our proxy to vote for me / us and on my / our behalf at the SIXTH ANNUAL GENERAL MEETING of the Company to be held at the **Bukit Kiara Equestrian & Country Club, Jalan Bukit Kiara , Off Jalan Damansara, 60000 Kuala Lumpur** on Monday, 19 December 2016 at 9.30 a.m. and at every adjournment thereof for/against the resolutions to be proposed thereat.

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

Resolution		**For**	**Against**
Resolution 1	To re-elect Arif Bin Faruk.		
Resolution 2	To re-elect Nik Din Bin Nik Sulaiman.		
Resolution 3	To re-elect Chiong Sui Hieng.		
Resolution 4	To approve the payment of Directors' fees.		
Resolution 5	To appoint Messrs Raki CS Tan & Ramanan as Auditors and to authorised the directors to fix their remuneration.		
Resolution 6	To authorise the Directors to issue shares.		

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

First Proxy:	%
Second Proxy:	%
Total:	100%

Dated this ………………. day of ………………………….. 2016.

Number of shares held:	
CDS A/C No.	

____
(Signature)

NOTES:

1. *For the purpose of determining a member who shall be entitled to attend this meeting, only members whose names appear in the Record of Depositors as at 13 December 2016 will be entitled to attend and speak and vote at the Meeting.*
2. *A member of the Company entitled to be present and to vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote instead of him(her). A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
4. *Where a member appoints more than one (1) proxy to attend and vote at the same Meeting, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*
5. *If the appointer is a corporation, this form must be executed under its common seal or under the hand of its officer or attorney.*
6. *The instrument appointing a proxy must be deposited at the registered office of the Company at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

1st fold here

APFT BERHAD
(886873-T)

Suite 50-5-5, 5th Floor, Wisma UOA Damansara
50, Jalan Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia

Tel : +603 2092 3177
Fax : +603 2093 9218

www.apft.com.my