

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q2FY2022
YEAR ENDING 31 JANUARY 2022

Sapura Resources Berhad
Unaudited Financial Results Q2FY2022
Year Ending 31 January 2022



SAPURA RESOURCES BERHAD
(Company No.: 195701000235 (3136-D))

Interim Financial Statements for the 2nd Quarter Ended 31 July 2021

The Board of Directors hereby announce the
Unaudited financial results of the Group for the 2nd Quarter Ended 31 July 2021

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SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q2FY2022
YEAR ENDING 31 JANUARY 2022

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statements of Comprehensive Income
for the 2nd Quarter Ended 31 July 2021

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		Unaudited 31.7.2021	Unaudited 31.7.2020	Unaudited 31.7.2021	Unaudited 31.7.2020
		RM'000	RM'000	RM'000	RM'000
Revenue		11,221	11,843	22,850	22,887
Operating expenses		(14,624)	(15,671)	(28,758)	(30,638)
Other income	3	773	409	1,047	1,181
Operating loss		(2,630)	(3,419)	(4,861)	(6,570)
Finance costs		(349)	(350)	(683)	(654)
Loss before tax before share of result		(2,979)	(3,769)	(5,544)	(7,224)
Share of result of an associate		(474)	239	23	(6)
Share of result of joint ventures		(13,605)	(1,901)	(16,961)	(4,601)
Loss before tax		(17,058)	(5,431)	(22,482)	(11,831)
Taxation	18	(335)	-	(670)	-
Loss after tax, representing total comprehensive loss for the period		(17,393)	(5,431)	(23,152)	(11,831)
Loss, represent total comprehensive loss for the period attributable to:					
Owners of the parent		(17,263)	(5,066)	(22,884)	(11,661)
Non-controlling interests		(130)	(365)	(268)	(170)
		(17,393)	(5,431)	(23,152)	(11,831)
Earnings per share attributable to Owners of the parent (sen):					
Basic, loss for the period	26	(12.37)	(3.63)	(16.39)	(8.35)
		(12.37)	(3.63)	(16.39)	(8.35)

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2021.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q2FY2022
YEAR ENDING 31 JANUARY 2022

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statement of Financial Position as at 31 July 2021

	Note	Unaudited 31.7.2021 RM'000	Audited 31.1.2021 RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		44,344	48,697
Investment properties		119,330	120,891
Right-of-use assets		26,142	29,178
Intangible assets	19	-	-
Investments in an associate		17,757	17,734
Investments in joint ventures		178,869	195,830
		<u>386,442</u>	<u>412,330</u>
CURRENT ASSETS			
Trade and other receivables		6,241	6,853
Prepayments		793	738
Tax recoverable		1,400	1,108
Other current financial assets	20	54	50
Short term investment		43,802	67,522
Cash and cash equivalents		18,011	16,431
		<u>70,301</u>	<u>92,702</u>
TOTAL ASSETS		<u>456,743</u>	<u>505,032</u>
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Parent			
Share capital		139,600	139,600
Other reserves		2,581	2,581
Retained profits		238,899	261,783
Equity attributable to owners of the parent		<u>381,080</u>	<u>403,964</u>
Non-controlling interests		<u>(1,157)</u>	<u>(889)</u>
Total Equity		<u>379,923</u>	<u>403,075</u>
Non-current liabilities			
Deferred tax liabilities		3,764	3,764
Lease liabilities		29,085	29,675
Loans and borrowings	23	167	175
		<u>33,016</u>	<u>33,614</u>
Current Liabilities			
Trade and other payables		21,245	48,456
Provisions	22	12,016	11,972
Lease liabilities		2,817	5,392
Loans and borrowings	23	7,726	2,523
		<u>43,804</u>	<u>68,343</u>
Total liabilities		<u>76,820</u>	<u>101,957</u>
TOTAL EQUITY AND LIABILITIES		<u>456,743</u>	<u>505,032</u>
NET ASSETS PER SHARE (RM)		<u>2.72</u>	<u>2.89</u>

These unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2021.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q2FY2022
YEAR ENDING 31 JANUARY 2022

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statement of Changes in Equity
for the 2nd Quarter Ended 31 July 2021

	<-----Attributable to owners of the parent----->					
	Share Capital	<- Non- distributable-> Capital Reserve	<----- Distributable-----> General Reserve	Retained Profits	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.2.2021	139,600	1,481	1,100	261,783	(889)	403,075
Total comprehensive loss for the period	-	-	-	(22,884)	(268)	(23,152)
At 30.07.2021	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>238,899</u>	<u>(1,157)</u>	<u>379,923</u>
At 1.2.2020	139,600	1,481	1,100	282,308	(100)	424,389
Total comprehensive loss for the period	-	-	-	(11,661)	(170)	(11,831)
At 30.07.2020	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>270,647</u>	<u>(270)</u>	<u>412,558</u>

These unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2021.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q2FY2022
YEAR ENDING 31 JANUARY 2022

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statement of Cash Flows
for the 2nd Quarter Ended 31 July 2021

	Unaudited For the period ended 31.7.2021 <u>RM'000</u>	Unaudited For the period ended 31.7.2020 <u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(22,482)	(11,831)
Adjustment for:		
Non-cash items	<u>26,367</u>	<u>14,118</u>
Operating profit before working capital changes	3,885	2,287
Net change in current assets	1,013	(2,373)
Net change in current liabilities	(30,005)	152
Tax (paid)/refund	<u>(962)</u>	<u>15</u>
Net cash generated from/(used in) operating activities	<u>(26,069)</u>	<u>81</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,388)	(2,427)
Profits distribution received from short term investment	481	722
Profits distribution received from short term deposit	-	296
Net withdrawal from short term investment	<u>23,720</u>	<u>(21,551)</u>
Net cash generated from/(used in) investing activities	<u>22,813</u>	<u>(22,960)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of lease liabilities	(3,776)	(2,832)
Interest paid	(132)	(654)
Net withdrawal of hire-purchase	(45)	113
Net drawdown/(repayment) of other short term borrowings	5,000	(2,700)
Grant received	<u>3,549</u>	<u>-</u>
Net cash used in financing activities	<u>4,596</u>	<u>(6,073)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,340	(28,952)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>13,999</u>	<u>41,119</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>15,339</u>	<u>12,167</u>
CASH AND CASH EQUIVALENTS		
CASH IN HAND AND BANKS	18,011	12,167
BANK OVERDRAFTS	<u>(2,672)</u>	<u>-</u>
	<u>15,339</u>	<u>12,167</u>

These unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2021.

EXPLANATORY NOTES

1 BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Chapter 9.22, part K of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2021, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2021.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 (Interest Rate Benchmark Reform)	1 January 2021
Amendments to MFRS 16: Leases (Covid-19 Related Rent Concessions beyond 30 June 2021)	1 January 2021

The adoption of the above Amendments to MFRS and IC Interpretation did not have any significant financial impact to the Group.

Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
Amendments to MFRS 9: Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
Amendments to MFRS 3: Business Combinations (Reference to the Conceptual Frameworks)	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment (Proceeds Before Intended Use)	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)	1 January 2022
Amendments to MFRS 141: Agriculture (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)	1 January 2023

EXPLANATORY NOTES (CONT'D.)

2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

Standards and interpretations issued but not yet effective (cont'd.)

The Group has not adopted the following standards and interpretations that have been issued but not yet effective (cont'd).

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 101: Presentation of Financial Statements (Disclosures of Accounting Policies)	1 January 2023
Amendments to MFRS 10: Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred
Amendments to MFRS 128: Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred

The Group are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impacts to the financial statements of the Group.

3 OTHER INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31.7.2021	31.7.2020	31.7.2021	31.7.2020
	RM'000	RM'000	RM'000	RM'000
Profits distribution received from short term investment	289	362	481	720
Profits distribution received from short term deposit	-	85	-	296
Gain on disposal of property, plant and equipment	-	-	-	2
Gain on lease modification	-	-	37	-
Miscellaneous income	484	(38)	529	161
	<u>773</u>	<u>409</u>	<u>1,047</u>	<u>1,181</u>

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2021 was not qualified.

5 SEASONAL OR CYCLICAL FACTORS

The Group's performance is not significantly affected by any seasonal or cyclical fluctuations.

6 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

EXPLANATORY NOTES (CONT'D.)

7 CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in estimates of the amounts reported in the previous financial period that have a material effect on the results of the current reporting period.

8 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities.

9 SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Investment holding - equity investment, including group-level corporate services and business development functions.
- (ii) Property investment - rental of investment properties.
- (iii) Aviation - provision of hangarage services, ground handling, aircraft management, engineering services and other aviation related services.
- (iv) Maintenance, repair and overhaul ("MRO") - provision of MRO services for aircraft and the related services.

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	31.7.2021	31.7.2020	31.7.2021	31.7.2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Investment holding	807	1,822	1,607	2,588
Property Investment	6,374	6,652	12,899	13,278
Aviation	4,761	4,879	9,605	8,986
MRO	108	333	390	665
Eliminations	(829)	(1,843)	(1,651)	(2,630)
	<u>11,221</u>	<u>11,843</u>	<u>22,850</u>	<u>22,887</u>
Loss before tax:				
Investment holding	(1,498)	(1,209)	(2,861)	(3,540)
Property Investment	2,035	2,934	4,082	5,773
Aviation	(854)	(627)	(1,450)	(1,290)
MRO	(2,587)	(4,882)	(5,352)	(8,284)
Eliminations	(75)	15	37	117
	<u>(2,979)</u>	<u>(3,769)</u>	<u>(5,544)</u>	<u>(7,224)</u>
Share of result of an associate	(474)	239	23	(6)
Share of result of joint ventures	(13,605)	(1,901)	(16,961)	(4,601)
Loss before tax	<u>(17,058)</u>	<u>(5,431)</u>	<u>(22,482)</u>	<u>(11,831)</u>

No geographical segment is presented as the Group's activities are carried out in Malaysia.

EXPLANATORY NOTES (CONT'D.)

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Pursuant to Sapura Resources Berhad's ("SRB" or the "Company") joint venture agreement with KLCCH (Holdings) Berhad ("KLCCH"), the Company has guaranteed and underwritten the lease of 70% of the net lettable area of the office tower for 15 years based on predetermined rates (the "MLA"). In addition the Company has issued a Letter of Undertaking to Impian Bebas Sdn Bhd's ("IBSB") financier to guarantee and underwrite the MLA and not to vary or amend any terms of the joint venture agreement which may in any way adversely affect the interests of the financiers.

The Company had initiated a negotiation together with its joint venture partner, KLCCH, through IBSB, with all the financial institutions ("IBSB's Lenders") to amend the terms of the MLA and to restructure the terms of the borrowings obtained by IBSB, to manage the cash flows commitments of the Company. On the 30 June 2021, IBSB's Lenders have agreed, amongst others, to reduce the predetermined rate of the MLA and deferred the 1st repayment of the principal amount to 29 January 2024.

Consequently, SRB has executed the revised MLA on 30 August 2021 with IBSB in accordance with the commitments of the joint venture agreement with KLCCH.

11 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group since the last annual reporting date.

12 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities of the Group since the last annual reporting date.

13 CAPITAL COMMITMENTS

	As at 31.7.2021 RM'000	As at 31.1.2021 RM'000
Approved and contracted for:		
Property, plant and equipment	1,552	4,590
Approved but not contracted for:		
Property, plant and equipment	3,097	4,450
Investment in joint ventures	71,400	71,400
	<u>76,049</u>	<u>80,440</u>

14 REVIEW OF GROUP PERFORMANCE

14.1 Three (3) months results - Q2FY2022 vs Q2FY2021

The Group revenue for the three (3) months period under review decreased from RM11.8 million to RM11.2 million due to the reduction in revenue mainly from Property Investment segment (RM0.3 million) and MRO segment (RM0.2 million)

Loss before tax for the three (3) months period under review increased from RM5.4 million to RM17.1 million mainly due to higher share of losses from joint venture companies.

EXPLANATORY NOTES (CONT'D.)

14 REVIEW OF GROUP PERFORMANCE (CONT'D.)

14.2 Current quarter vs. immediate preceding quarter (Q2FY2022 vs Q1FY2022)

	Current Quarter 31.07.2021 RM'000	Immediate Preceding Quarter 30.04.2021 RM'000
Revenue	11,221	11,629
Operating loss	<u>(2,630)</u>	<u>(2,231)</u>
Loss before tax	<u>(17,058)</u>	<u>(5,424)</u>

The Group recorded a loss before taxation of RM17.1 million in the current quarter, which was higher by RM11.6 million as compared to the loss before taxation of RM5.4 million in the immediate preceding quarter mainly due to higher share of losses from joint venture companies.

15 SEGMENTAL ANALYSIS

(i) Investment holding

Q2FY2022 vs Q2FY2021

The segment recorded lower loss before taxation of RM2.9 million in Q2FY2022 as compared to RM4.6 million in Q2FY2021 mainly due to lower operating expenses and partially offset with lower profits distribution received from short term investments.

(ii) Property Investment

Q2FY2022 vs Q2FY2021

Revenue decreased from RM13.3 million in Q2FY2021 to RM12.9 million in Q2FY2022 mainly due to lower rental income.

The segment recorded lower profit before taxation of RM4.1 million in Q2FY2022 as compared to RM5.8 million in Q2FY2021 mainly due to higher operating expenses.

(iii) Aviation

Q2FY2022 vs Q2FY2021

Revenue increased from RM9.0 million in Q2FY2021 to RM9.6 million in Q2FY2022 mainly due to higher aircraft management revenue.

The segment recorded higher loss before taxation of RM1.5 million in Q2FY2022 as compared to RM1.3 million in Q2FY2021 mainly due higher cost of sales by RM1.3 million and partially offset with lower operating expenses by RM0.6 million.

EXPLANATORY NOTES (CONT'D.)

15 SEGMENTAL ANALYSIS (CONT'D.)

(iv) MRO

Q2FY2022 vs Q2FY2021

The segment recorded lower loss before taxation of RM5.4 million in Q2FY2022 as compared to RM8.3 million in Q2FY2021 mainly due to decrease in operating expenses.

16 PROFIT FORECAST

No profit forecast was issued for the financial period.

17 PROSPECTS

The Group is currently driven by its Property and Aviation business, whilst the new ventures in aircraft MRO and sales and service of high powered engines and parts, are still in the period of gestation.

The Group acknowledges that the COVID-19 pandemic continues to adversely impact the performance of the **aircraft MRO segment but the Property and Aviation segments will continue to contribute towards the Group's** revenue. The Group is reviewing all our investment portfolio to optimize our resources to ensure long-term sustainability of our investments.

18 TAXATION

	6 months ended 31.7.2021 RM'000	6 months ended 31.7.2020 RM'000
Malaysian taxation	670	-

19 INTANGIBLE ASSETS

	As at 31.7.2021 RM'000	As at 31.1.2021 RM'000
Cost		
At beginning/ end of period	2,389	2,389
Accumulated impairment		
At beginning/ end of period	2,389	2,389
Net carrying amount	-	-

The cost of goodwill, which has been allocated to the Group's CGUs identified according to the business segments is as follows:

	As at 31.7.2021 RM'000	As at 31.1.2021 RM'000
Premium automotive	2,389	2,389

The recoverable amounts of CGU for Automotive segment was determined based on fair value less cost to sell (determined by management based on best information available on recoverable amount of the CGU).

EXPLANATORY NOTES (CONT'D.)

20 OTHER CURRENT FINANCIAL ASSETS

	As at 31.7.2021	As at 31.1.2021
	RM'000	RM'000
Held for trading investments:		
Quoted equity shares	54	50
Total financial assets at fair value through profit or loss	<u>54</u>	<u>50</u>

21 CORPORATE PROPOSALS

There were no corporate proposals since the last annual reporting date.

22 PROVISIONS

	As at 31.7.2021	As at 31.1.2021
	RM'000	RM'000
At the beginning of year	11,972	12,047
Current year provision	-	-
Unrealised foreign exchange loss/(gain)	44	(75)
At the end of year	<u>12,016</u>	<u>11,972</u>

As part of the disposal of associates in prior year, SRB has provided indemnity to APIIT Sdn. Bhd. ("APIIT") and ILMU Education Group Sdn. Bhd. ("**ILMU**") against any losses and damages incurred as a direct result of any ruling by the Sri Lanka Tax Authority for the appeal filed by APIIT Lanka on the payment of Value Added Tax for an amount up to RM3 million and for period of 6 years until 24th August, 2022.

During the previous financial year, the Group has made a provision in relation to a claim from a previous customer, among others, claiming for compensation for the loss of market value of an aircraft. Further information as disclosed in Note 24.

EXPLANATORY NOTES (CONTD.)

23 LOAN AND BORROWINGS

(a) Details of Group's borrowings are as follows:

	As at 31.7.2021 RM'000
Current:	
Hire-purchase	54
Revolving credit	5,000
Bank overdraft	<u>2,672</u>
	7,726
Non-current:	
Hire-purchase	<u>167</u>
Total borrowings	<u>7,893</u>

Hire-purchase obligations are secured by the charge over the leased assets.

(b) Currency denominations

All the loan and borrowings are denominated in Ringgit Malaysia.

24 MATERIAL LITIGATION

There are no material litigations that have material effect to the Group except for the following:

Details of the circumstances leading to the filing of Writ of Summons against Aerodome

Aerodome Sdn. Bhd. ("**Aerodome**") a 100%-owned subsidiary of DNest Aviation Sdn. Bhd. ("**DNest**"), which in turn is a wholly-owned subsidiary of Sapura Resources Berhad ("**the Company**").

Aerodome has signed an Aircraft Management and Maintenance Agreement dated 6 July 2012 ("AMMA") with Pan Asia Property Management Sdn. Bhd. ("Pan-Asia"). Whilst the Aircraft was being defueled at the Aerodome's hangar by Execujet MRO Services Sdn.Bhd. (formerly known as Execujet Malaysia Sdn.Bhd.) ("Execujet") or its agent or contractor, the tail of the Aircraft tipped downwards and struck the raised concrete of the apron at Aerodome's hangar ("Incident"). Due to the incident, the Aircraft sustained damage to the aft lower fuselage in its access door area, including to, inter alia, its lower frame and skin at fuselage FS731, aft equipment bay door, LH EQPT bay door frame and RH EQPT bay door frame ("Aircraft Damage").

Details of the Writ of Summons

- (i) On 10 October 2019 Aerodome received a Writ of Summons together with a Statement of Claim dated 30 September 2019 filed by (1) Best Perfection Holdings Limited (2) Pan Asia Property Management Sdn. Bhd. (3) **Allianz Global Corporate & Specialty ("Plaintiffs") through its solicitor Messrs. Joseph & Partners acting on behalf of the Plaintiffs** while the Defendants are (1) Aerodome and (2) Execujet.

EXPLANATORY NOTES (CONT'D.)

24 MATERIAL LITIGATION (CONT'D.)

Details of the Writ of Summons (cont'd.)

The Plaintiffs are claiming for the following :-

- (a) Loss of use of the Aircraft due to the Aircraft Damage in the sum of USD203,090.00 (equivalent to MYR850,340.37 at the Central Bank Malaysia rate of exchange of USD1=MYR4.187 as at 30 September 2019;
 - (b) Pre-judgment interest, pursuant to Section 11 of the Civil Law Act 1956 at the rate of 5% per annum on the sum of USD203,090.00 from 1.11.2015 until the date of Judgment;
 - (c) Post-judgment interest at the rate of 5% per annum on the sum of USD203,090.00 from the date of Judgment until full realization thereof;
 - (d) Costs on a solicitor client basis; and
 - (e) Any or other Order or further relief as the Court may deem fit and expedient.
- (ii) In addition to the above writ of summons, Aerodome had on 9 January 2020 received a Writ of Summons dated 5 January 2020 together with a Statement of Claim dated 3 January 2020 filed by (1) TVPX ARS INC. (2) Best Perfection Holdings Limited and (3) Pan Asia Property Management Sdn. Bhd. ("**Plaintiffs**") through its solicitor Messrs. Song & Partners acting on behalf of the Plaintiffs while the Defendants are (1) Aerodome and (2) Execujet.

The 2nd Plaintiff is claiming for the following :-

- (a) Compensation or damages or indemnity in the sum of USD2,010,000.00 for the loss of market value of the Aircraft due to the Aircraft Damage and resulting damage history;
- (b) Interest at the rate of 5% per annum on the aforesaid sum from 2 November 2015 till the date of
- (c) Costs;
- (d) Interest at the rate of 5% per annum on the aforesaid sums from the date of judgment till full satisfaction; and
- (e) Such further, ancillary or other relief as the Court may deem fit.

The Plaintiffs are claiming that as a result of the Aircraft Damage and the resulting damage history, the Aircraft had depreciated in its fair market value by approximately USD2,010,000.00 as at or about 28 April 2016 notwithstanding the repair works that had been carried out.

Status of the Court proceedings

During the hearing on 12 June 2020, the Judge felt that in the interest of justice, the Sessions Court Suit should be transferred to the High Court and be heard before the same judge for the High Court suit.

On 12 June 2020, Execujet's solicitor has informed the Sessions Court that the Plaintiffs' Application to consolidate abovementioned cases and transfer the proceedings to High Court has been allowed by the High Court judge and the same has been transferred on 1 September 2020.

Aerodome has filed its application for striking-out the 1st and 2nd Plaintiffs' case on 23 November 2020. However on 14 April 2021, the Court had dismissed **Aerodome's** striking out application where the Court is of the opinion that the claims and the action by the Plaintiffs are not obviously unsustainable.

EXPLANATORY NOTES (CONT'D.)

24 MATERIAL LITIGATION (CONT'D.)

Status of the Court proceedings (cont'd.)

The Court has fixed trial dates for both matters on i) 12 and 13 April 2022 (2.00 p.m.), and ii) 9, 10, 11 and 24 May 2022 (9.00 a.m.). On 22 September 2021, the Court has fixed the next case management dates for the parties to comply with the pre-trial directions and to update the Court as follows:

- i) 27 September 2021 for claim on the loss of market value of the Aircraft; and
- ii) 4 January 2022 for the claim on the loss of use of the Aircraft.

25 DIVIDEND

Having considered the current financial position of the Group, the Board of Directors did not recommend any dividend for the quarter under review.

26 EARNINGS PER SHARE

The earnings per share has been calculated based on the profit attributable to Owners of the Parent divided by the number of ordinary shares in issue during the period of RM139,600,000.

27 ADDITIONAL INFORMATION

The following items are included in the statement of comprehensive income:

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31.7.2021	31.7.2020	31.7.2021	31.7.2020
	RM'000	RM'000	RM'000	RM'000
Finance cost	71	14	132	42
Finance cost on lease liabilities	278	336	551	612
Impairment loss on trade receivables	-	481	-	481
Depreciation of property, plant and equipment	3,722	3,491	7,302	6,508
Depreciation of right-of-use assets	1,281	1,456	2,642	2,913
Gain on disposal of property, plant and equipment	-	37	-	-
Gain on lease modification	-	-	(37)	-
Unrealised forex exchange loss on provision	(64)	-	44	-
Net fair value (gain)/loss on held for trading investment	5	(4)	(4)	65
Net realised foreign exchange loss/(gain)	(2)	138	21	(15)
Reversal of allowances for impairment of trade receivables	(289)	(90)	(456)	(90)

28 APPROVAL OF INTERIM FINANCIAL STATEMENT

The interim financial statements have been approved by the Board of Directors.

Chua Siew Chuan (MAICSA 0777689)
Company Secretary