

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4 FY2024
YEAR ENDING 31 JANUARY 2024



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

Interim Financial Statements for the 4th Quarter Ended 31 January 2024

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SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4 FY2024
YEAR ENDING 31 JANUARY 2024

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statements of Comprehensive Income
For the 4th Quarter Ended 31 January 2024

| | Note | Individual Quarter 3 Months Ended | | Cumulative Quarter 12 Months Ended | |
|--|------|--------------------------------------|---------------------|---------------------------------------|---------------------|
| | | Unaudited | Audited | Unaudited | Audited |
| | | 31.1.2024 RM'000 | 31.1.2023 RM'000 | 31.1.2024 RM'000 | 31.1.2023 RM'000 |
| Revenue | | 19,449 | 13,084 | 58,664 | 53,287 |
| Operating expenses | | (26,350) | (33,752) | (100,281) | (93,491) |
| Reversal/(provision) for impairment of non-current assets | | 46,210 | 122,986 | 46,210 | 122,986 |
| Other income | 2 | 847 | 7,319 | 13,769 | 43,085 |
| Operating profit | | 40,156 | 109,637 | 18,362 | 125,867 |
| Finance costs | | (13,186) | (9,496) | (41,409) | (38,850) |
| Profit/(loss) before tax before share of result | | 26,970 | 100,141 | (23,047) | 87,017 |
| Share of result of an associate | | 1,052 | 1,198 | 4,052 | 376 |
| Share of result of joint ventures | | (16,290) | (1,325) | (16,850) | (7,653) |
| Profit/(loss) before tax | | 11,732 | 100,014 | (35,845) | 79,740 |
| Taxation | 16 | - | (28) | - | (28) |
| Profit/(loss) after tax, representing total comprehensive profit/(loss) for the period | | 11,732 | 99,986 | (35,845) | 79,712 |
| Profit/(loss), representing total comprehensive profit/(loss) for the period, attributable to: | | | | | |
| Owners of the parent | | 11,732 | 99,856 | (35,845) | 79,622 |
| Non-controlling interests | | - | 130 | - | 90 |
| | | 11,732 | 99,986 | (35,845) | 79,712 |
| Earnings per share attributable to Owners of the parent (sen): | | | | | |
| Basic, profit/(loss) for the period | 23 | 8.40 | 71.53 | (25.68) | 57.04 |
| | | 8.40 | 71.53 | (25.68) | 57.04 |

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2023.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4 FY2024
YEAR ENDING 31 JANUARY 2024

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))

Unaudited Condensed Consolidated Statement of Financial Position as at 31 January 2024

| | Note | Unaudited 31.1.2024 RM'000 | Audited 31.1.2023 RM'000 |
|---|------|----------------------------------|--------------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | | 29,954 | 33,509 |
| Investment properties | | 505,832 | 492,725 |
| Right-of-use assets | | 5,169 | 5,456 |
| Investments in an associate | | 21,898 | 18,222 |
| Investments in joint ventures | | 220,065 | 209,445 |
| Finance lease receivables | | 35,437 | 37,527 |
| Trade and other receivables | | 4,587 | 4,235 |
| | | <u>822,942</u> | <u>801,119</u> |
| CURRENT ASSETS | | | |
| Finance lease receivables | | 1,699 | 4,314 |
| Trade and other receivables | | 21,709 | 12,149 |
| Prepayments | | 458 | 1,499 |
| Inventories | | 90 | 87 |
| Tax recoverable | | 705 | 2,233 |
| Other current financial assets | 18 | 20 | 16 |
| Fixed deposits | | 16,272 | - |
| Cash and cash equivalents | | 22,666 | 32,696 |
| | | <u>63,619</u> | <u>52,994</u> |
| TOTAL ASSETS | | <u>886,561</u> | <u>854,113</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to Owners of the Parents | | | |
| Share capital | | 139,600 | 139,600 |
| Other reserves | | 2,581 | 2,581 |
| Retained profits | | 42,075 | 77,920 |
| Equity attributable to owners of the parent | | 184,256 | 220,101 |
| Non-controlling interests | | (2,082) | (2,082) |
| Total Equity | | <u>182,174</u> | <u>218,019</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 41 | 26 |
| Lease liabilities | | 422,070 | 470,855 |
| | | <u>422,111</u> | <u>470,881</u> |
| Current Liabilities | | | |
| Trade and other payables | | 255,772 | 93,989 |
| Provisions | 20 | 9,774 | 9,406 |
| Lease liabilities | | 16,730 | 61,818 |
| | | <u>282,276</u> | <u>165,213</u> |
| Total liabilities | | <u>704,387</u> | <u>636,094</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>886,561</u> | <u>854,113</u> |
| NET ASSETS PER SHARE (RM) | | <u>1.30</u> | <u>1.56</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 2023.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4 FY2024
YEAR ENDING 31 JANUARY 2024

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statement of Changes in Equity
For the 4th Quarter Ended 31 January 2024

| | <-----Attributable to owners of the parent-----> | | | | | |
|--|--|--------------------|----------------------------|---------------------|------------------------------|-----------------|
| | <- Non- distributable-> | | <----- Distributable-----> | | | |
| | Share Capital | Capital Reserve | General Reserve | Retained Profits | Non-controlling interests | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1.2.2023 | 139,600 | 1,481 | 1,100 | 77,920 | (2,082) | 218,019 |
| Total comprehensive loss for the period | - | - | - | (35,845) | - | (35,845) |
| At 31.1.2024 | <u>139,600</u> | <u>1,481</u> | <u>1,100</u> | <u>42,075</u> | <u>(2,082)</u> | <u>182,174</u> |
| At 1.2.2022 | 139,600 | 1,481 | 1,100 | (1,702) | (2,172) | 138,307 |
| Total comprehensive profit for the period | - | - | - | 79,622 | 90 | 79,712 |
| At 31.1.2023 | <u>139,600</u> | <u>1,481</u> | <u>1,100</u> | <u>77,920</u> | <u>(2,082)</u> | <u>218,019</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 2023.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4 FY2024
YEAR ENDING 31 JANUARY 2024

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statement of Cash Flows
For the 4th Quarter Ended 31 January 2024

| | Unaudited for the Period ended 31.1.2024 RM'000 | Audited for the Period ended 31.1.2023 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before tax | (35,845) | 79,740 |
| Adjustment for: | | |
| Non-cash items | (104,939) | (76,505) |
| (Loss)/Profit before working capital changes | (140,784) | 3,235 |
| Net change in current assets | (10,050) | (11,293) |
| Net change in current liabilities | 162,149 | 31,598 |
| Net tax refunded | 1,528 | 190 |
| Net cash generated from operating activities | 12,843 | 23,730 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of non current assets | (2,665) | (12,184) |
| Profits distribution received from short term investment | 6 | 161 |
| Profits distribution received from short term deposit | 411 | 93 |
| Cash call paid to a joint venture | (37,000) | (40,000) |
| Proceeds from disposal of property, plant and equipment | 2 | 2,525 |
| Net withdrawal from short term investment | - | 13,104 |
| Net cash (used in)/generated from investing activities | (39,246) | (36,301) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net repayment of lease liabilities | (95,355) | (3,566) |
| Interest paid | - | (439) |
| Net repayment of hire-purchase | - | (171) |
| Financial assistance from holding company | 128,000 | 40,000 |
| Net repayment of other short term borrowings | - | (5,000) |
| Net repayment of bank overdrafts | - | (7,070) |
| Net cash generated from financing activities | 32,645 | 23,754 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 6,242 | 11,183 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 32,696 | 21,513 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 38,938 | 32,696 |
| CASH AND CASH EQUIVALENTS | | |
| CASH IN HAND AND BANKS | 22,666 | 32,696 |
| FIXED DEPOSITS | 16,272 | - |
| | 38,938 | 32,696 |

These unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2023.

EXPLANATORY NOTES

1 BASIS OF PREPARATION

The unaudited quarterly report has been in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ending 31 January 2023.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ending 31 January 2023.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2023 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
- Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

MFRSs and Amendments to MFRSs that are applicable to the Group but not yet effective

The Group has not early adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) as these are effective for the financial periods beginning on or after 1 February 2024:

- Lease liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)
- Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)

2 OTHER INCOME

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|--------------|--------------------|---------------|
| | 31.1.2024 | 31.1.2023 | 31.1.2024 | 31.1.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profits distribution received from short term investment | - | - | 6 | 161 |
| Profits distribution received from short term deposit | 168 | - | 411 | 93 |
| Gain on disposal of property, plant and equipment | - | 2,505 | 2 | 2,505 |
| Reversal of allowances for impairment of trade receivables | 32 | 451 | 692 | 468 |
| Finance lease income | (86) | 1,515 | 6,237 | 1,515 |
| Miscellaneous income | 733 | 2,848 | 6,421 | 38,344 |
| | <u>847</u> | <u>7,319</u> | <u>13,769</u> | <u>43,085</u> |

3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2024 was not qualified.

4 SEASONAL OR CYCLICAL FACTORS

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

EXPLANATORY NOTES (CONT'D.)

5 UNUSUAL ITEMS

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

6 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.

7 DEBT AND EQUITY SECURITIES

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

8 SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has five 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) Business 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 commercial aircraft and the related services. On 20 February 2023, the subsidiary operating the MRO business received a winding-up petition and control is currently under the court appointed liquidator. Therefore, the MRO segment is excluded from consolidation effective from Q1 FYE 2024.

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 12 Months Ended | |
|-----------------------------------|--------------------------------------|---------------------|---------------------------------------|---------------------|
| | 31.1.2024 RM'000 | 31.1.2023 RM'000 | 31.1.2024 RM'000 | 31.1.2023 RM'000 |
| Revenue | | | | |
| Investment holding | - | 170 | 90 | 586 |
| Property Investment | 12,595 | 5,792 | 32,910 | 27,122 |
| Aviation | 6,543 | 6,673 | 25,759 | 25,596 |
| MRO | - | (108) | - | 85 |
| Eliminations | 311 | 557 | (95) | (102) |
| | <u>19,449</u> | <u>13,084</u> | <u>58,664</u> | <u>53,287</u> |
| (Loss)/ Profit before tax: | | | | |
| Investment holding | (7,761) | (1,917) | (7,192) | (5,532) |
| Property Investment | 31,476 | 106,614 | (17,974) | 98,923 |
| Aviation | (455) | 1,509 | (2,670) | (1,149) |
| MRO | - | 1,042 | - | 1,834 |
| Eliminations | 3,709 | (7,107) | 4,788 | (7,060) |
| | <u>26,969</u> | <u>100,141</u> | <u>(23,048)</u> | <u>87,017</u> |
| Share of result of an associate | 1,052 | 1,198 | 4,052 | 376 |
| Share of result of joint ventures | (16,290) | (1,325) | (16,850) | (7,653) |
| Profit/(loss) before tax | <u>11,732</u> | <u>100,014</u> | <u>(35,846)</u> | <u>79,740</u> |

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

9 CHANGES IN COMPOSITION OF THE GROUP

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

EXPLANATORY NOTES (CONTD.)

10 CONTINGENT LIABILITIES

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

11 CAPITAL COMMITMENTS

| | As at 31.1.2024 | As at 31.1.2023 |
|----------------------------------|--------------------|--------------------|
| | RM'000 | RM'000 |
| Approved and contracted for: | | |
| Property, plant and equipment | 2,354 | 378 |
| Approved but not contracted for: | | |
| Property, plant and equipment | 5,501 | 10,242 |
| Investment in joint ventures | 10,500 | 25,326 |
| | <u>18,355</u> | <u>35,946</u> |

12 REVIEW OF GROUP PERFORMANCE

12.1 Three (3) months results - Q4 FY2024 vs Q4 FY2023

The Group revenue for the three (3) months period under review increased from RM13.1 million to RM19.4 million mainly due to the increase in revenue from Permata Sapura and the reclassification of finance lease income to revenue.

Profit before tax for the three (3) months period under review decreased from a profit before tax of RM100.1 million to a profit before tax of RM27.0 million mainly due to the reversal of impairment made on investment property (Permata Sapura) amounting to RM122.9 million in the previous corresponding period. In the current period under review, the reversal of impairment on the same property amounted to RM46.2 million.

12.2 Current quarter vs. immediate preceding quarter (Q4 FY2024 vs Q3 FY2024)

| | Current Quarter 31.1.2024 | Immediate Preceding Quarter 31.10.2023 |
|--------------------------|------------------------------|--|
| | RM'000 | RM'000 |
| Revenue | 19,449 | 13,590 |
| Operating profit/(loss) | 40,156 | (3,075) |
| Profit/(Loss) before tax | <u>11,732</u> | <u>(8,242)</u> |

The Group recorded a profit before taxation of RM11.7 million in the current quarter, as compared to the loss before taxation of RM8.2 million in the immediate preceding quarter mainly due to the reversal of impairment on Permata Sapura amounting to RM46.2 million in the current quarter under review.

13 SEGMENTAL ANALYSIS

(i) Investment holding

Q4 FY2024 vs Q4 FY2023

The segment recorded a increase in loss before taxation of RM7.8 million in Q4FY24 as compared to a loss before taxation of RM1.9 million in Q4FY23 mainly due to the reclassification of costs during the current period under review.

(ii) Property Investment

Q4 FY2024 vs Q4 FY2023

Revenue increased from RM5.8 million in Q4 FY2023 to RM12.6 million in Q4 FY2024 mainly due to the increase in rental income from Permata Sapura and the reclassification of finance lease income as revenue in the current quarter under review.

The segment recorded a decrease in profit before taxation from RM106.6 million in Q4 FY2023 to a profit before tax of RM31.5 million in Q4 FY2024 mainly due to the reversal of impairment made on Permata Sapura amounting to RM122.9 million in the previous corresponding period. In the current period under review, the reversal of impairment of the same property amounted to RM46.2 million.

EXPLANATORY NOTES (CONTD.)

13 SEGMENTAL ANALYSIS (CONTD)

(iii) Aviation

Q4 FY2024 vs Q4 FY2023

Revenue for Q4 FY24 decreased by only 2% to RM6.5 million from RM6.7 million in Q4 FY2023.

The segment recorded loss before taxation of RM0.5 million in Q4 FY2024 versus a profit before taxation of RM1.5 million in Q4 FY2023 mainly due to the the one-off gain upon recognition of a finance lease receivable in accordance with MFRS 16 amounting to RM3.0 million in the previous corresponding quarter.

14 PROFIT FORECAST

No profit forecast was issued for the financial period.

15 PROSPECTS

The Property and Business Aviation segments will continue to contribute towards the Group's revenue. In the meantime, the Group will continuously adapt to the changing conditions to ensure long-term sustainability.

16 TAXATION

| | 12 months ended 31.1.2024 | 12 months ended 31.1.2023 |
|--------------------|---------------------------------|---------------------------------|
| | RM'000 | RM'000 |
| Malaysian taxation | - | 28 |
| | - | 28 |

EXPLANATORY NOTES (CONT'D.)

17 INTANGIBLE ASSETS

| | As at 31.1.2024 | As at 31.1.2023 |
|-----------------------------|--------------------|--------------------|
| | RM'000 | 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 | <u>-</u> | <u>-</u> |

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

| | As at 31.1.2024 | As at 31.1.2023 |
|--------------------|--------------------|--------------------|
| | RM'000 | RM'000 |
| Premium automotive | <u>2,389</u> | <u>2,389</u> |

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).

18 OTHER CURRENT FINANCIAL ASSETS

| | As at 31.1.2024 | As at 31.1.2023 |
|---|--------------------|--------------------|
| | RM'000 | RM'000 |
| Held for trading investments: | | |
| Quoted equity shares | 20 | 16 |
| Total financial assets at fair value through profit or loss | <u>20</u> | <u>16</u> |

19 CORPORATE PROPOSALS

On 27 November 2023, the Group announced the proposal to undertake the following:

(i) proposed settlement by SRB of the advances owing to Jurudata Sdn Bhd ("JSB") amounting to RM168.0 million via the issuance of 373,333,333 new 9-year zero coupon redeemable convertible secured loan stocks in SRB ("RCSLS") at an issue price of RM0.45 per RCSLS; and

(ii) proposed renounceable rights issue of new ordinary shares in SRB to raise gross proceeds of up to approximately RM33.50 million.

On 23 January 2024, the Group entered into a supplemental agreement with JSB to amend, vary and modify certain terms and conditions in the Settlement Agreement.

On 26 January 2024, the additional listing application in relation to the Proposals has been submitted to Bursa Securities.

20 PROVISIONS

| | As at 31.1.2024 | As at 31.1.2023 |
|----------------------------------|--------------------|--------------------|
| | RM'000 | RM'000 |
| At the beginning of year | 9,406 | 12,275 |
| Reversal of provision | - | (3,000) |
| Unrealised foreign exchange loss | 368 | 131 |
| At the end of year | <u>9,774</u> | <u>9,406</u> |

The Group has also 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 21.

EXPLANATORY NOTES (CONTD.)

21 MATERIAL LITIGATION

There is 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 F5731, 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.

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.

Details of the Writ of Summons (cont'd)

- (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 judgment;
- (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.

EXPLANATORY NOTES (CONT'D.)

21 MATERIAL LITIGATION (CONT'D.)

Status of the Court proceedings

On 30 November 2021, both suits were being transferred to another Shah Alam High Court which will be presided by another judge. Therefore, all the trial dates and case management dates that were fixed previously were now vacated. There was still no information on the judge to date and the court has fixed 22 April 2022 for case management. As for **Aerodome's 3rd Party Proceedings against Execujet, the Court also has fixed 22 April 2022 to hear on Execujet's application to strike out on Aerodome's 3rd party claim.**

On 22 April 2022, Aerodome had been informed by the Court that the hearing is rescheduled to 25 May 2022. On 25 May 2022, the Court had heard oral submissions of parties, and reserved judgment to be delivered on 12 July 2022.

On 12 July 2022, the Judge dismissed Execujet's applications with no order as to costs as the Judge is of the view that the issues raised in the striking out applications ought to be ventilated by way of full trial in January 2024.

Then, the Court fixed the following pre-trial directions:

- (a) Aerodome to file the Third-Party Statement of Claim against Execujet within 14 days from 12th July 2022; (the same has been filed by Aerodome's solicitor on 26th July 2022);
- (b) Parties to file any additional documents and/or expert report on or before 8th June 2023;
- (c) Parties may file rebuttal expert report on or before 8th September 2023. In the event there is any need for a further rebuttal report, the filing date would be determined in a case management (to be fixed tentatively around end of October 2023);
- (d) Parties to file issues to be tried on or before 8th September 2023;
- (e) Parties to file and exchange witness statements on or before 8th December 2023; and
- (f) The following trial dates are maintained:
 - 8th to 12th January 2024;
 - 22nd to 24th January 2024; and
 - 29th to 31st January 2024.

In relation to Aerodome's Third-Party Proceedings, Execujet has filed its defence against Aerodome's Third-Party Statement of Claim on 10.8.2022 while Aerodome has filed its reply to the defence ("Reply") on 25 August 2022.

Upon filing of the Reply, pleadings in the third party action are closed. In the usual course of proceedings, a third party **action will be heard and be disposed after the Aerodome's liability in the main action has been determined.**

On 9 June 2023, the Court has postponed the case management to 15 June 2023 due to an emergency. During the case management on 15 June 2023, the parties are supposed to update the status of filings of expert's report in both suits, and Aerodome informed the Court that Aerodome is relying on Execujet's expert report to this end. Execujet's counsel informed the Court that they required extension of time to file their expert report and their expert was travelling. The Court granted the said extension of time to file until 10 July 2023. Thereafter, the Court has fixed the next case management date on 16 August 2023 for parties to update the Court on the filling of the expert report. During the case management on 16 August 2023, the parties have updated the Court in relation to preparation of the case, including the fact that parties have begun mediation efforts. The Court set the next case management date on 12 October 2023 for parties to update the Court. During the case management on 12 October 2023, the parties agreed to have a court-assisted mediation on 21 November 2023. On 21 November 2023, the Court then fixed the next Case Management for mediation sessions to be held on 5 December 2023 and 13 December 2023. **In the meantime, Execujet has obtained a Judgement in Default ("JID") against Hasrat Asia Sdn. Bhd. ("the 3rd party"), and there are applications made to extend time for filing memorandum of appearance and setting aside JID by the 3rd party.** The Court is set to hear the applications on 4th December 2023.

On 4 December 2023, the Court gave directions to Hasrat Asia to file further evidence in support of their application. In the meantime, the judge has directed parties not to file witness statements by 8th December 2023 as directed previously, and he has indicated that he may vacate the trial dates fixed on January 2024 pending the outcome of these applications. The Court has fixed 18 December 2023 as the next case management date to give further directions to parties.

EXPLANATORY NOTES (CONT'D.)

21 MATERIAL LITIGATION (CONT'D.)

Mediation

The mediation session initially fixed on 5 December 2023 was vacated due to unforeseen circumstances by the mediating Judge, and the mediation was fixed on 13 December 2023 instead, and outcome of the mediation to be updated on 14 December 2023.

On 13 December 2023, the parties have agreed to a settlement in relation to the Loss of Use Suit, and is currently pending finalisation of a consent order. Status of mediation in relation to the Loss of Value Suit to be updated in next case management on 14 December 2023.

Loss of Value Suit

During the case management on 14 December 2023, parties requested for an additional period of one month for settlement discussions, and the judge showed no objection to this extension. Additionally, the Judge approved parties' application to vacate the scheduled trial in January 2024 due to the 3rd party's application and the 4th party's (Ronald Christopher La Faber's) involvement.

During the Case Management on 12 March 2024, the Court has fixed the Hearing for the 3rd and the 4th parties' applications to set aside the JID, extension to file memorandums of appearance and defences on 3 May 2024. This application has nothing to do with AeroDome as the matters are in relation to the application by Execujet against Hasrat Asia and Hasrat Asia's claim for indemnity against its Director.

For the Loss of Value Suit, the negotiation on the settlement sum is still on going.

Loss of Use Suit

Parties have informed Judge that a settlement in principles has been reached. The settlement sum agreed by all Parties for the Loss of Use Suit amounting to USD160,000 to be paid in an agreed proportion of 65% by Execujet (USD104,000) and 35% by Aerodome (USD56,000). The Court has fixed the next case management dated 18 January 2024 for parties to update Court on status of settlement.

On 18 January 2024, the 3rd Party (Hasrat Asia) has filed an application to compel the Civil Aviation Authority of Malaysia (CAAM) to produce certifications in relation to 3rd Party's capabilities.

On 12 March 2024, the Parties have informed Court that further time is required to finalize and execute the Settlement Agreement and Consent Judgment, respectively. The Court has fixed the next Case Management on 27.3.2024 for parties to update the Court on the settlement status.

On 27 March 2024, the Parties have recorded the terms of the consent judgment for the Loss of Use Suit to the Court.

In addition to the above, the Court fixed the next trial dates for the Loss of Value Suit, as follows:

1. 15 -18 July 2024;
2. **24 – 25 July 2024; and**
3. 29 -31 July 2024.

22 DIVIDEND

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

23 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.

EXPLANATORY NOTES (CONT'D.)

24 ADDITIONAL INFORMATION

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

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 12 Months Ended | |
|--|--------------------------------------|-----------|---------------------------------------|-----------|
| | 31.1.2024 | 31.1.2023 | 31.1.2024 | 31.1.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Finance cost | 3,893 | 66 | 3,893 | 439 |
| Finance cost on lease liabilities | 9,293 | 9,430 | 37,516 | 38,411 |
| Depreciation of property, plant and equipment | 1,788 | 1,523 | 7,414 | 7,429 |
| Depreciation of right-of-use assets | (337) | (1,621) | 366 | 689 |
| Depreciation of investment property | 8,081 | 15,164 | 31,853 | 32,832 |
| Unrealised forex exchange loss/(gain) on provision | 27 | (484) | 27 | 131 |
| Net fair value (gain)/loss on held for trading investment | - | (13) | (4) | (4) |
| Expected credit losses of trade receivables | 1,752 | - | 1,752 | 276 |

25 APPROVAL OF INTERIM FINANCIAL STATEMENT

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

Chua Siew Chuan (MAICSA 0777689)
 Company Secretary