

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q3 FY2025
YEAR ENDING 31 JANUARY 2025



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

Interim Financial Statements for the 3rd Quarter Ended 31 October 2024

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SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q3 FY2025
YEAR ENDING 31 JANUARY 2025

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statements of Comprehensive Income
For the 3rd Quarter Ended 31 October 2024

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		Unaudited	Unaudited	Unaudited	Unaudited
		31.10.2024	31.10.2023	31.10.2024	31.10.2023
		RM'000	RM'000	RM'000	RM'000
Revenue		20,193	13,590	57,353	39,215
Operating expenses		(11,901)	(24,527)	(55,653)	(73,931)
Other income	2	(2,078)	7,862	650	12,922
Operating profit / (loss)		6,214	(3,075)	2,350	(21,794)
Finance costs		(10,983)	(9,350)	(26,203)	(28,223)
Loss before tax before share of result		(4,769)	(12,425)	(23,853)	(50,017)
Share of result of an associate		403	3,770	1,293	3,000
Share of result of joint ventures		(4,303)	413	(13,748)	(560)
Loss before tax		(8,669)	(8,242)	(36,308)	(47,577)
Taxation	16	-	-	33	-
Loss after tax, representing total comprehensive loss for the period		<u>(8,669)</u>	<u>(8,242)</u>	<u>(36,275)</u>	<u>(47,577)</u>
Loss, representing total comprehensive loss for the period, attributable to:					
Owners of the parent		(8,669)	(8,242)	(36,275)	(47,577)
Non-controlling interests		-	-	-	-
		<u>(8,669)</u>	<u>(8,242)</u>	<u>(36,275)</u>	<u>(47,577)</u>
Earnings per share attributable to Owners of the parent (sen):					
Basic, loss for the period	23	<u>(3.95)</u>	<u>(5.90)</u>	<u>(21.83)</u>	<u>(34.08)</u>
		<u>(3.95)</u>	<u>(5.90)</u>	<u>(21.83)</u>	<u>(34.08)</u>

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2024.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q3 FY2025
YEAR ENDING 31 JANUARY 2025

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

	Note	Unaudited 31.10.2024 RM'000	Unaudited 31.1.2024 RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		28,404	28,783
Investment properties		482,106	507,266
Right-of-use assets		4,542	4,770
Investments in an associate		24,035	22,742
Investments in joint ventures		189,847	203,595
Finance lease receivables		30,649	31,733
Trade and other receivables		4,587	4,587
		<u>764,170</u>	<u>803,476</u>
CURRENT ASSETS			
Finance lease receivables		2,561	5,402
Trade and other receivables		28,917	19,310
Prepayments		1,569	1,403
Inventories		106	90
Tax recoverable		729	705
Other current financial assets	18	20	20
Fixed deposits		24,361	16,272
Cash and cash equivalents		12,652	22,273
		<u>70,915</u>	<u>65,475</u>
TOTAL ASSETS		<u>835,085</u>	<u>868,951</u>
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Parents			
Share capital		172,731	139,600
Other reserves		2,581	2,581
RCSLS - equity component		53,199	-
Retained profits		4,233	40,508
Equity attributable to owners of the parent		<u>232,744</u>	<u>182,689</u>
Non-controlling interests		-	-
Total Equity		<u>232,744</u>	<u>182,689</u>
Non-current liabilities			
Deferred tax liabilities		21,964	41
Trade and other payables		-	40,000
RCSLS - liability component		92,571	-
Lease liabilities		412,780	422,062
		<u>527,315</u>	<u>462,103</u>
Current Liabilities			
Trade and other payables		28,915	167,117
Provisions	20	-	9,774
Lease liabilities		46,111	47,268
		<u>75,026</u>	<u>224,159</u>
Total liabilities		<u>602,341</u>	<u>686,262</u>
TOTAL EQUITY AND LIABILITIES		<u>835,085</u>	<u>868,951</u>
NET ASSETS PER SHARE (RM)		<u>1.40</u>	<u>1.31</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

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q3 FY2025
YEAR ENDING 31 JANUARY 2025

Sapura Resources Berhad (Company No.: 195701000235 (3136-D))
Unaudited Condensed Consolidated Statement of Changes in Equity
For the 3rd Quarter Ended 31 October 2024

	<-----Attributable to owners of the parent----->			<----- Distributable----->		Non-	Total
	<- Non- distributable->				Retained	controlling	Equity
	Share Capital	Capital Reserve	General Reserve	RCSLS	Profits	interests	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.2.2024	139,600	1,481	1,100	-	40,508	-	182,689
Issued during the year	33,131	-	-	53,199	-	-	86,330
Total comprehensive loss for the period	-	-	-	-	(36,275)	-	(36,275)
At 31.10.2024	<u>172,731</u>	<u>1,481</u>	<u>1,100</u>	<u>53,199</u>	<u>4,233</u>	<u>-</u>	<u>232,744</u>
At 1.2.2023	139,600	1,481	1,100	-	77,920	(2,082)	218,019
Total comprehensive loss for the period	-	-	-	-	(47,577)	-	(47,577)
At 31.10.2023	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>-</u>	<u>30,343</u>	<u>(2,082)</u>	<u>170,442</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 2024.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q3 FY2025
YEAR ENDING 31 JANUARY 2025

Sapura Resources Berhad (Company No.: 195701000235 (313
Unaudited Condensed Consolidated Statement of Cash Flows
For the 3rd Quarter Ended 31 October 2024

	Unaudited for the Period ended 31.10.2024	Unaudited for the Period ended 31.10.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(36,308)	(47,577)
Adjustment for:		
Non-cash items	58,005	4,390
Profit / (loss) before working capital changes	21,697	(43,187)
Net change in current assets	(9,789)	(2,864)
Net change in current liabilities	(7,839)	12,421
Net cash generated from / (used in) operating activities	<u>4,069</u>	<u>(33,630)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non current assets	(3,116)	(1,644)
Profits distribution received from short term investment	-	6
Profits distribution received from short term deposit	95	243
Proceeds from disposal of property, plant and equipment	-	2
Net cash used in investing activities	<u>(3,021)</u>	<u>(1,393)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Total repayment of lease liabilities	(36,083)	(67,222)
Financial assistance from holding company	-	99,000
Rights issue proceeds	33,503	-
Net cash (used in) / generated from financing activities	<u>(2,580)</u>	<u>31,778</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,532)	(3,245)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	38,545	32,696
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>37,013</u>	<u>29,451</u>
CASH AND CASH EQUIVALENTS		
CASH IN HAND AND BANKS	12,652	23,160
FIXED DEPOSITS	24,361	6,291
	<u>37,013</u>	<u>29,451</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 2024.

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 2024.

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 2024.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2024 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Amendments to MFRS 101: Presentation of Financial Statements (Non-current Liabilities with Covenants)
- Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 107: Statement of Cash Flows and MFRS 7 Disclosure of Financial Instruments - Supplier Finance Arrangements
- Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
- Amendments to MFRS 10 and MFRS 128: Investments in Associates and Joint Venture (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

2 OTHER INCOME

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31.10.2024 RM'000	31.10.2023 RM'000	31.10.2024 RM'000	31.10.2023 RM'000
Profits distribution received from short term investment	-	-	-	6
Profits distribution received from short term deposit	(2,094)	221	95	243
Reversal of allowances for impairment of trade receivables	-	(32)	-	660
Finance lease income	-	2,020	-	6,323
Miscellaneous income	16	5,651	555	5,688
	<u>(2,078)</u>	<u>7,862</u>	<u>650</u>	<u>12,922</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

During the current quarter under review, there were issuance of 373,333,333 Redeemable Convertible Secured **Loan Stock ("RCSLS") to Jurudata Sdn Bhd ("JSB") of RM168 million in nominal value on 2 July 2024.**

There were listing and quotation of 119,657,142 Rights Shares on the Main Market of Bursa Securities on 5 September 2024 raising gross proceeds of RM33.5 million.

8 SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three 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.

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31.10.2024 RM'000	31.10.2023 RM'000	31.10.2024 RM'000	31.10.2023 RM'000
Revenue				
Investment holding	390	-	390	90
Property Investment	15,218	6,986	38,037	20,315
Permata Sapura	-	-	-	-
Aviation	4,584	6,604	18,925	18,810
	<u>20,193</u>	<u>13,590</u>	<u>57,353</u>	<u>39,215</u>
Loss before tax:				
Investment holding	1,918	4,488	(2,692)	838
Property Investment	(13,844)	(15,843)	(27,383)	(48,242)
Aviation	7,157	(1,070)	6,223	(2,613)
	<u>(4,769)</u>	<u>(12,425)</u>	<u>(23,852)</u>	<u>(50,017)</u>
Share of result of an associate	403	3,770	1,293	3,000
Share of result of joint venture	(4,303)	413	(13,748)	(560)
Loss before tax	<u>(8,669)</u>	<u>(8,242)</u>	<u>(36,307)</u>	<u>(47,577)</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.

10 CONTINGENT LIABILITIES

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

EXPLANATORY NOTES (CONT'D.)

11 CAPITAL COMMITMENTS

	As at 31.10.2024	As at 31.1.2024
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	2,642	2,354
Approved but not contracted for:		
Property, plant and equipment	3,678	5,501
Investment in joint venture	11,870	14,610
	<u>18,190</u>	<u>22,465</u>

12 REVIEW OF GROUP PERFORMANCE

12.1 Three (3) months results - Q3 FY2025 vs Q3 FY2024

The Group revenue for the three (3) months period under review increased from RM13.5 million to RM20.1 million mainly due to the increase in Permata Sapura occupancy rate from 16% to 92% in the current quarter under review.

Loss before tax for the three (3) months period under review slightly increased from RM8.2 million to RM8.6 million mainly due to recognition of interest on RCSLS netted off against higher revenue contributed mainly from increase in occupancy rate in Permata Sapura.

12.2 Current quarter vs. immediate preceding quarter (Q3 FY2025 vs Q2 FY2025)

	Current Quarter 31.10.2024	Immediate Preceding Quarter 31.7.2024
	RM'000	RM'000
Revenue	20,193	19,690
Operating profit	6,214	1,281
Loss before tax	<u>(8,669)</u>	<u>(8,084)</u>

The Group recorded a loss before taxation of RM8.7 million in the current quarter, as compared to the loss before taxation of RM8.1 million in the immediate preceding quarter mainly due to recognition of interest on RCSLS.

13 SEGMENTAL ANALYSIS

(i) Investment holding

Q3 FY2025 vs Q3 FY2024

The segment recorded a decrease of profit before taxation from RM4.5 million in Q3FY2024 to RM1.9 million in Q3FY2025 mainly due to reversal of provision for doubtful debt in FY2024 offset by lower operating expenditures mainly on personnel cost, repair & maintenance as well as office related expenses.

(ii) Property Investment

Q3 FY2025 vs Q3 FY2024

Revenue increased from RM6.9 million in Q3 FY2024 to RM15.2 million in Q3 FY2025 mainly due to the increase in Permata Sapura occupancy rate from 16% to 92% in the current quarter under review. In addition, there is a reclassification of finance lease income to revenue in the current quarter under review, in accordance with MFRS 16.

The segment recorded a decrease in loss before taxation from RM15.8 million in Q3FY2024 to RM13.8 million in Q3 FY2025 mainly due to higher revenue in Permata Sapura in current quarter netted off against the recognition of interest on RCSLS.

EXPLANATORY NOTES (CONT'D.)

13 SEGMENTAL ANALYSIS (CONT'D)

(iii) Aviation

Q3 FY2025 vs Q3 FY2024

Revenue for Q3 FY2025 decreased from RM6.6 million in Q3 FY2024 to RM4.6 million in Q3 FY2025 mainly due to lower subscription fee and fuel netted off against reclassification of finance lease income from other income to revenue.

The segment recorded profit before taxation of RM7.1 million in Q3 FY2025 as compared to loss before tax RM1.1 million in Q3 FY2024 mainly due to reversal provision of contingencies in current 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.

The completion of the recent capital raising exercise has strengthened the Group's balance sheet and has given the Group the ability to enhance its current businesses as well as explore new opportunities.

16 TAXATION

	3 months ended 31.10.2024 RM'000	3 months ended 31.10.2023 RM'000
Malaysian taxation	-	-
	-	-

17 INTANGIBLE ASSETS

	As at 31.10.2024 RM'000	As at 31.1.2024 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 31.10.2024 RM'000	As at 31.1.2024 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.)

18 OTHER CURRENT FINANCIAL ASSETS

	As at 31.10.2024	As at 31.1.2024
	RM'000	RM'000
Held for trading investments:		
Quoted equity shares	20	20
Total financial assets at fair value through profit or loss	<u>20</u>	<u>20</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 RM33.5 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.

On 29 April 2024, Bursa Securities resolved to approve the following:

- (i) Listing and quotation of up to 428,315,271 new Company shares to be issued pursuant to the conversion of the RCSLS; and
- (ii) Listing and quotation of up to 139,600,000 Rights Shares to be issued pursuant to the Proposed Rights Issue.

On 21 June 2024:

- (i) The proposals were tabled at the Extraordinary General Meetings and were duly approved by the shareholders of SRB;
- (ii) All the condition precedents of the Settlement Agreement have been fulfilled and accordingly, the Settlement Agreement has become unconditional;
- (iii) SRB had entered into the Issuance Agreement, Put Option Agreement and Share Change with JSB in relation to the Proposed Settlement.

On 2 July 2024:

- (i) The Proposed Settlement has been completed following the issuance of 373,333,333 RCSLS with a nominal value of RM168,000,000 to JSB.

On 5 September 2024:

- (i) The Rights Issue has been completed following the listing and quotation of 119,657,142 Rights Shares on the Main Market of Bursa Securities on 5 September 2024 raising gross proceeds of RM33.5 million.

EXPLANATORY NOTES (CONT'D.)

19 CORPORATE PROPOSALS (CONT'D.)

The utilisation of the proceeds status as at the date of this report is as per follows:-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Expected time frame for utilisation of proceeds
Payment obligation under MLA and cash call pursuant to the JV agreement (if required)	28,904	(7,058)	21,846	Within 4 years
Permata Sapura related expenses to secured tenants	1,000	-	1,000	Within 2 years
Estimated expenses in relation Corporate Exercise	3,600	(3,532)	68	Immediate
	<u>33,504</u>	<u>(10,590)</u>	<u>22,914</u>	

20 PROVISIONS

	As at 31.10.2024 RM'000	As at 31.1.2024 RM'000
At the beginning of year	9,774	9,406
Reversal of provision	(9,774)	(696)
Unrealised foreign exchange loss	-	1,064
At the end of year	<u>-</u>	<u>9,774</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 is disclosed in Note 21.

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 FS731, aft equipment bay door, LH EQPT bay door frame and RH EQPT bay door frame ("Aircraft Damage").

EXPLANATORY NOTES (CONT'D.)

21 MATERIAL LITIGATION (CONT'D.)

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

The Plaintiffs are claiming for the following (cont'd.) :-

- (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) and
(e)

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

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.

EXPLANATORY NOTES (CONT'D.)

21 MATERIAL LITIGATION (CONT'D.)

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
- (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 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.

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.

Aerodome received a letter dated 5 June 2024 from the Plaintiff's solicitor stated their final counter offer of USD1.1million.

EXPLANATORY NOTES (CONT'D.)

21 MATERIAL LITIGATION (CONT'D.)

On, 11 June 2024, Aerodome received a letter dated 6 June 2024 from Execujet proposing new settlement proportion based on the final counter offer of USD1.1million as follows:-

28% Aerodome – USD306,500
72% Execujet – USD793,500

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

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

On 24 July 2024, a case management was fixed and the Parties have been informed that the trial dates have been vacated and further time is required for the Parties to finalize and execute the Settlement Agreement. The Court has fixed 15 August 2024 as the next case management date to update the Court on the settlement status.

On 15 August 2024, the Parties have informed Court that further time is required to finalize and execute the Settlement Agreement. The Court has fixed 5 September 2024 as the next case management date to update the Court on the settlement status.

On 5 September 2024, the Parties have informed Court that further time is required to finalize and execute the Consent Judgment. The Court has fixed 30 September 2024 as the next case management date to update the Court on the settlement status.

On 19 September 2024, Aerodome has put the settlement sum of USD306,500 (RM1,308,290.77) into a Stakeholder Funds Account, to be held by Aerodome's Solicitor, RDS Partnership as the Stakeholder to facilitate payment of settlement sums to the Plaintiffs. The Solicitor will proceed to transfer the payment directly to the Plaintiff upon the execution of the Consent Judgment.

Loss of Use Suit

Parties have informed Judge that a settlement in principles has been reached, and waiting for draft consent order / agreement to be drafted and agreed upon. 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 and have agreed to the terms of the Settlement Agreement. Consent Judgment was obtained on 27 March 2024 and the Settlement Agreement has been executed and dated 7 June 2024.

Finance Aviation is to proceed with the payment of the settlement sum of USD56,000 within 21 days from the date of the Agreement.

On 26 June 2024, Finance Aviation has paid the settlement amount to the Solicitors as stakeholder.

On 5 July 2024, the Solicitors representing the Defendants has confirmed that they have received the settlement sums from the Plaintiffs.

On 15 August 2024, the Solicitors have confirmed that the Loss of Use Suit is now closed.

EXPLANATORY NOTES (CONT'D.)

22 DIVIDEND

The Board of Directors does not recommend any payment of dividend for the current 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 weightage average on number of ordinary shares during the period of 166,190,476.

24 ADDITIONAL INFORMATION

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31.10.2024 RM'000	31.10.2023 RM'000	31.10.2024 RM'000	31.10.2023 RM'000
Finance cost on lease liabilities	10,983	9,350	26,203	28,223
Depreciation of property, plant and equipment	1,632	1,848	4,775	5,626
Depreciation of right-of-use assets	235	234	704	703
Depreciation of investment	7,918	7,924	23,901	23,772
Unrealised forex exchange loss on provision	-	499	-	1,141

25 APPROVAL OF INTERIM FINANCIAL STATEMENTS

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

Chua Siew Chuan (MAICSA 0777689)
 Company Secretary