

# APFT BERHAD

Company No.: 886873-T  
(Incorporated in Malaysia)

## Quarterly Report on Results for The Quarter Ended 30 April 2017 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT 30.04.2017 RM'000	AUDITED AS AT 31.07.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Property, plant and equipment</i>	27,805	31,859
<i>Other investment</i>	428	428
<i>Goodwill on consolidation</i>	18,631	18,631
<i>Deferred cost</i>	145	145
<i>Fixed deposits</i>	113	113
<b>Total non-current assets</b>	<b>47,122</b>	<b>51,176</b>
<b>Current assets</b>		
<i>Inventories</i>	1,321	1,321
<i>Amount due from contract customers</i>	7,160	3,673
<i>Deferred cost</i>	131	131
<i>Trade receivables</i>	16,890	8,947
<i>Other receivables</i>	5,695	4,472
<i>Tax recoverable</i>	560	125
<i>Cash and bank balances</i>	478	2,398
<b>Total current assets</b>	<b>32,235</b>	<b>21,067</b>
<i>Non - Current Asset held for Sale</i>	1,431	1,431
<b>Total assets</b>	<b>80,788</b>	<b>73,674</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
<i>Share capital</i>	27,441	23,866
<i>Reserves</i>	15,627	15,627
<i>Merger deficit</i>	(21,000)	(21,000)
<i>Warrant reserve</i>	19,233	19,233
<i>Discount on shares</i>	(19,233)	(19,233)
<i>Translation reserve</i>	(1)	(1)
<i>(Accumulated Losses) / Unappropriated profits</i>	(7,025)	2,516
	15,042	21,008
<i>Non-controlling interests</i>	(4,804)	(6,415)
<b>Total equity</b>	<b>10,238</b>	<b>14,593</b>
<b>Non-current liabilities</b>		
<i>Hire purchase creditor</i>	-	78
<i>Deferred tax liabilities</i>	133	133
<i>Other payables</i>	36	36
<b>Total non-current liabilities</b>	<b>169</b>	<b>247</b>
<b>Current liabilities</b>		
<i>Trade payables</i>	37,437	20,829
<i>Other payables</i>	11,021	16,467
<i>Amount due to non-controlling interests</i>	1,377	2,419
<i>Amount due to Directors</i>	15,864	7,653
<i>Deferred income</i>	2,449	2,449
<i>Term loans and hire purchase creditors</i>	2,233	6,961
<i>Bank overdraft</i>	-	2,056
<b>Total current liabilities</b>	<b>70,381</b>	<b>58,834</b>
<b>Total liabilities</b>	<b>70,550</b>	<b>59,081</b>
<b>Total liabilities and equity</b>	<b>80,788</b>	<b>73,674</b>
Number of ordinary shares in issue ('000)	548,833	477,332
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.02	0.03

### Note:

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2016 and the accompanying notes attached to this interim financial report.

# APFT BERHAD

Company No.: 886873-T  
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## Quarterly Report on Results for The Quarter Ended 30 April 2017

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	PERIOD ENDED	PRECEDING YEAR CORRESPONDING PERIOD ENDED
	30.04.2017 RM'000	30.04.2016 RM'000	30.04.2017 RM'000	30.04.2016 RM'000
Operating revenue	14,698	N/A	50,499	N/A
Cost of services	(16,330)	N/A	(58,273)	N/A
<b>Gross loss</b>	(1,632)	N/A	(7,774)	N/A
Other income	2,452	N/A	5,857	N/A
Administrative expenses	(875)	N/A	(3,526)	N/A
Marketing expenses	(4)	N/A	(734)	N/A
Other expenses	-	N/A	(876)	N/A
Finance costs	(321)	N/A	(848)	N/A
Share of loss in an associate	-	N/A	-	N/A
<b>(Loss) before taxation</b>	(380)	N/A	(7,901)	N/A
Tax expense	(27)	N/A	(29)	N/A
<b>(Loss) for the period</b>	(407)	N/A	(7,930)	N/A
Other comprehensive income	-	N/A	-	N/A
<b>Total comprehensive Loss</b>	(407)	N/A	(7,930)	N/A
<b>Net Loss attributable to:</b>				
Owners of the Company	(2,678)	N/A	(9,541)	N/A
Non-controlling interests	2,271	N/A	1,611	N/A
Net Loss for the financial period	(407)	N/A	(7,930)	N/A
<b>Total comprehensive profit / (loss) attributable to:</b>				
Owners of the Company	(2,678)	N/A	(9,541)	N/A
Non-controlling interests	2,271	N/A	1,611	N/A
Total comprehensive loss for the financial period	(407)	N/A	(7,930)	N/A
Weighted average no. of ordinary shares in issue ('000)	548,833	N/A	548,833	N/A
<b>Loss per share (sen)</b>				
(a) Basic	(0.49)	N/A	(1.74)	N/A

Notes:

- The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2016 and the accompanying notes attached to this interim financial report.
- The Group has changed the financial year end from 31 March 2016 to 31 July 2016, there were no comparative financial information available for the period ended 30 April 2017

# APFT BERHAD

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## Quarterly Report on Results for The Quarter Ended 30 April 2017 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	CURRENT PERIOD ENDED 30.04.2017	PRECEDING YEAR CORRESPONDING PERIOD 30.04.2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(380)	N/A
Adjustments for:		
Depreciation	721	N/A
Interest expense	321	N/A
Loss on Sales Property, plant and equipment	218	N/A
Operating loss before working capital changes	880	N/A
Changes in working capital:		
Contract customers	(3,487)	N/A
Receivables	(9,601)	N/A
Payables	11,161	N/A
Non-controlling interests	(1,042)	N/A
Cash used on operations	(2,089)	N/A
Tax paid	-	N/A
Interest paid	-	N/A
<b>Net cash used in operating activities</b>	<b>(2,089)</b>	<b>N/A</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Proceeds from disposal of property, plant and equipment	372	N/A
<b>Net cash used in investing activities</b>	<b>372</b>	<b>N/A</b>

# APFT BERHAD

Company No.: 886873-T

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## Quarterly Report on Results for The Quarter Ended 30 April 2017 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	CURRENT PERIOD ENDED 30.04.2017	PRECEDING YEAR CORRESPONDING PERIOD 30.04.2017
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	N/A
Proceed From Issuance of ESOS	3,575	N/A
Repayment Director	(1,722)	
	-	
<b>Net cash used in financing activities</b>	<u>1,853</u>	<u>N/A</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net Increase	136	N/A
Brought forward	342	N/A
<b>Carried forward</b>	<u>478</u>	<u>N/A</u>

### Notes:

- The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2016 and the accompanying notes attached to this interim financial report.
- The Group has changed the financial year end from 31 March 2016 to 31 July 2016, there were no comparative financial information available for the financial period ended 30 April 2016.

## APFT BERHAD

Quarterly Report on Results for The Quarter Ended 30 April 2017  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(The figures have not been audited)

Group	Attributable to owners of the Company Non-distributable					Distributable				
	Share capital RM'000	Share premium RM'000	Merger deficit RM'000	Warrants reserve RM'000	Discount on shares RM'000	Translation reserve RM'000	Unappropriated profits/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
Balance at 1 August 2016	23,866	15,627	(21,000)	19,233	(19,233)	(1)	2,516	21,008	(6,415)	14,593
( Loss ) for the financial year	-	-	-	-	-	-	(9,541)	(9,541)	1,611	(7,930)
Total comprehensive profit / (loss) for the financial year	-	-	-	-	-	-	(7,025)	(9,541)	1,611	(7,930)
<b>Transactions with owners of the Company:</b>										
Issuance of shares, net of shares issuance expenses	3,575	-	-	-	-	-	-	3,575	-	3,575
	3,575	-	-	-	-	-	-	3,575	-	3,575
Balance at 31 April 2016	27,441	15,627	(21,000)	19,233	(19,233)	(1)	(7,025)	15,042	(4,804)	10,238

1. The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2016 and the accompanying notes attached to this interim financial report.

2. The Group has changed the financial year end from 31 March 2016 to 31 July 2016, there were no comparative financial information available for the period ended 30 April 2017

**EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards 134 (MFRS134): "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board. For periods up to and including the financial year ended 30 April 2017, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS").

The interim financial statements should be read in conjunction with the audited financial statements for the period ended 30 April 2017. The explanatory notes attached to these interim financial statements 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 since the financial year ended 31 July 2016.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2013. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("MFRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for the accounting periods beginning on or after 1 April 2015. The adoption of these standards, amendments and interpretations have not resulted in any material impacts to these interim financial statements.

**A2 Change in accounting policies**

The significant accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those of the audited financial statements for the year ended 31 July 2016 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 April 2015.

**A3 Auditor's report**

The auditor's report of the Group for the financial year ended 31 July 2016 was not subject to any qualification.

**A4 Seasonal or cyclical factor**

The Group's business does not experience any material seasonality.

**A5 Unusual items affecting financial statements**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

**A6 Material changes in estimates**

There were no changes in estimates that have a material effect on the current quarter results.

**A7 Debts and equity securities**

There was no issuance, cancellation, repurchases, resale nor repayment of equity securities or debt securities during the current financial quarter under review except for the corporate proposals as disclosed in B8, if any.

**A8 Dividend paid**

There were no dividends paid by the Company since the last financial year.

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**A9 Operating segment**

Operating segments are components in which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of flight education and training and mechanical engineering works and services as its operating segments.

Period ended 30 April 2017	Flight education and training	Mechanical engineering works and services	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue from</b>					
External customers	1,090	13,711	75	-	14,876
Inter-segment revenue	-	-	60	(60)	-
<b>Total revenue</b>	<u>1,090</u>	<u>13,711</u>	<u>135</u>	<u>(60)</u>	<u>14,876</u>
Segmented results	(654)	4,636	(4,362)	-	(380)
<b>Loss before taxation</b>					(380)
Tax expense					(27)
<b>Net Loss for the financial period</b>					<u>(407)</u>
<b>Segment assets</b>	<u>40,872</u>	<u>21,941</u>	<u>110,120</u>	<u>(110,775)</u>	<u>62,158</u>

**Notes:**

*There is no geographical segmental information as the Group operates principally in Malaysia and the result of overseas operation is immaterial.*

**A10 Valuation of aircraft, property, plant and equipment**

Aircraft, property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment losses. No valuation of aircraft, property, plant and equipment was undertaken during the current quarter under review.

**A11 Material events subsequent to the end of the quarter**

Save as disclosed in B8, there were no material events subsequent to the current financial quarter ended 30 April 2017 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

**A12 Changes in the composition of the Company**

There were no changes in the composition of the Group during the current quarter under review.

**A13 Contingent liabilities**

Contingent liabilities of the Group as at 30 April 2017 is RM37.6 million for corporate guarantee for project entered by subsidiary and RM1.28 million banking facility granted to subsidiary.

**A14 Capital commitments**

There was no capital commitments during the period under review.

**A15 Significant related party transactions**

The Group had entered into the following transactions during the current financial quarter.

Transaction	CURRENT YEAR QUARTER	CURRENT YEAR TODATE
	RM'000	RM'000
Interest paid to a Director	(315)	(808)

The above interest paid to a Director is charged based on interest rate of 8.35% per annum on the monthly weighted average balance due to the Director.

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**B EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Review of performance**

For the quarter ended 30 April 2017, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM14,698 million and loss before taxation ("LBT") of RM380,000. The loss before tax of RM380,000 for for current quarter was mainly due to decrease in revenue contribution from the flight training division.

Pursuant to the change of financial year from 31 March 2016 to 31 July 2016, no comparative figures are presented.

**B2 Variation of results against preceding quarter**

Pursuant to the change of financial year from 31 March 2016 to 31 July 2016, no comparative figures are presented.

Financial Indicators	Q3FYE2017	Q2FYE2017	VARIANCE	VARIANCE
	RM'000	RM'000	RM'000	%
Revenue	14,698	20,644	(5,946)	-29%
(Loss) before taxation	(380)	(3,473)	3,093	-89%
(Loss) after taxation	(407)	(3,473)	3,066	-89%

**B3 Prospects**

Our Group has been incurring losses for the past 5 years as a result of softening demand for the fixed wing pilot training market in Malaysia mainly due to local major airlines cutting back on their training program for new pilots . Due to lack of business in the fixed wing pilot training , the mechanical engineering division of the Group which specialises in oil , gas and petrochemical has become the significant contributor in terms of revenue for the group.

- (i) APFTMTSB had on 23 September 2014 entered into a joint aviation technical training partnership with LTTGMBH whereby LTTGMBH shall deliver the EASA Category A program to APFTMTSB at our group's facilities. As of 30 April 2017 , APFTMTSB had conducted a trial on this program and is currently in the midst of arranging the official enrolment for the commencement of this program in mid of 2017.
- (ii) APFTSB had on 5 December 2014 awarded a 7-year contract by the Ministry of Education to conduct the Diploma Vokasional Malaysia program in Ground Operations, being one of the Government 'Transformasi' program. As of 31 December 2017, APFTSB had received 150 students allocated by the Ministry of Education pursuant to this contract and had received additional 50 students in January 2017.

We have been approached by the middle eastern and African nations to provide assistance in aviation, oil and gas industry especially in training and setting up of services . Initially we can expect them to send their students to us for the training.

- (iii) APFTSB had in April 2014 obtained the temporary approval from Kementerian Pelajaran Tinggi for the offering of 3 new Diploma and Advance Diploma programs, namely Diploma in Aircraft Maintenance, Advance Diploma in Aircraft Maintenance (Mechanical) and Advance Diploma in Aircraft Maintenance (Avionics), all of which are accredited by Malaysian Qualifications Agency. An audit is expected to be carried out by the Kementerian Pelajaran Tinggi in March 2017. Should the quality of these courses meet the expected requirements, APFTSB will be granted an official approval from Kementerian Pelajaran Tinggi.

APFTSB has obtained approval from Malaysian Qualifications Agency and Kementerian Pelajaran Tinggi for the offering of Diploma in Air Traffic Management. These additional courses are expected to provide our Group with additional revenue in addition with existing training of fixed wing pilot programs upon commencement in April 2017 after release of Sijil Pelajaran Malaysia's result for the year of 2016.

- (iv) APFTMTSB had in March 2016, September 2016 and October 2016 commenced the provision of the Jeppesen Dispatcher course.
- (v) Our Group has entered into an agreement with an agency from Korea to provide the new courses mentioned in (iii) and (iv) above to Korean students in Malaysia. The training is expected to commence in the 2nd quarter of 2017.
- (vi) APFTSB had been providing training of helicopter cadets to the BOMBA since 2012 and the BOMBA had on 26 October 2014 granted a new contract up to November 2017 to our Group for the training of helicopter cadets.
- (vii) Our Group is currently in the midst of negotiating with a government agency in Malaysia for the provision for helicopter pilot training program. The existing training of helicopter cadets provided by our Group to BOMBA has provided our Group a competitive advantage in the negotiation with government agency in Malaysia. In view that the negotiation is still on-going and the contract has not been awarded, our Group is not able to provide additional information.
- (viii) PTTMSB had in FYE 31 July 2016 secured 3 new contracts amounting to approximately RM57 million of which 2 of the new contracts are to design, supply, fabrication and installation of site fabricated tanks while another is for supply, fabrication and install steel structure, mechanical equipment. All 3 projects are currently ongoing and are expected to be completed by 1<sup>st</sup> half of 2017. As the current projects are nearing to completion, PTTSB is also sourcing for new potential projects in the oil and gas and the general construction field.

Premised on the above strategies undertaken and the outlook of the industries which our Group is currently operating in, our management is of the opinion that the prospects, financial performance and financial position of our Group will improve barring any unforeseen circumstances which may have an adverse impact on the business of our Group.



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**B4 Profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review or in any public documents.

**B5 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	PERIOD ENDED	PRECEDING YEAR TO PERIOD ENDED
	30.04.2017 RM'000	30.04.2016 RM'000	30.04.2017 RM'000	30.04.2016 RM'000
Taxation for the current period	(27)	NA	(29)	NA
	(27)	NA	(29)	NA

**B6 Sales of unquoted investments and/or properties**

The company had entered into a share sale agreement to dispose 44% of the investment in an associate on 18 May 2016 and the expected date of completion is by end of July 2017.

**B7 Quoted securities**

There were no acquisitions or disposals of quoted securities for the current quarter and current financial period to-date.

**B8 (a) Status of corporate proposals**

The following corporate proposals were announced by the Company to Bursa Malaysia Securities Berhad ("Bursa Securities"):-

- 1) Disposal of Investment in PT. Trans Asia Pacific Aviation Training  
APFT Berhad entered into a Share Sale Agreement to dispose of 44% of the investment in associate on 18 May 2016 and the expected date of completion is by the end of July 2017
- 3) On 14 November 2016, the Company proposed to undertake the following proposals:
  - (a) Proposed settlement of debts owing to certain creditors of the subsidiaries of APFT via the issuance of new ordinary shares of RM0.05 each in APFT ("Settlement Shares") ("Proposed Creditors Capitalisation"); and
  - (b) Proposed settlement of debts owing to Directors of APFT, via the issuance of Settlement Shares ("Proposed Directors Capitalisation").
- 4) On 10 March 2017, the Company proposes to undertake the following proposals:
  - (a) Issued Employee Share Option Scheme (ESOS) by issuing 71,500,000 new ordinary shares at RM0.05 in APFT on 13 March 2017.
  - (b) Announce that APFT, APFTSB and PTTSB had on 10 March 2017 entered into 15 supplemental agreements with the Creditors to revise the cut-off date of the Settlement Agreements with Creditors from 31 July 2016 to 31 July 2017
  - (c) The Company, proposed to revise the cut-off date for the Proposed Directors Capitalisation from 31 July 2016 to 31 July 2017
  - (d) The Company Proposed private placement of up to 333,339,700 new ordinary shares in apft, representing approximately 30% of the enlarged number of issued shares of APFT (excluding treasury shares, if any) ("proposed private placement")

Save as disclosed above, there is no other corporate proposal announced or not completed by the Group as at the date of this report.

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**B8 (b) Status of utilisation of proceeds of private placement**

The status of utilisation of the proceeds from private placement as at 30 April 2017 are as follows:

Purpose	Proposed Utilisation RM'000	Estimated time frame for utilisation	Actual utilisation RM'000	Balance RM'000
Working capital requirements of the Group				
- Payment of salary	1,072	Within 12 months	1,072	-
- Payment of creditors	1,000	Within 12 months	1,000	-
<b>Total</b>	<u>2,072</u>		<u>2,072</u>	<u>-</u>

**B9 Borrowings and debt securities**

	CURRENT YEAR QUARTER 30.04.2017 RM'000
<b>Short term borrowings:</b>	
Secured	-
Hire purchase creditors	648
Term loans	<u>1,585</u>
	<u>2,233</u>

**B10 Notes to the statements of profit or loss and other comprehensive income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.04.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.04.2016 RM'000	CURRENT YEAR TODATE 30.04.2017 RM'000	PRECEDING YEAR TO DATE ENDED 30.04.2016 RM'000
	Depreciation	(721)	N/A	(2,446)
Interest expense	(321)	N/A	(854)	N/A
Rental expense	(596)	N/A	(3,415)	N/A
Rental Income	277	N/A	801	N/A
Property, Plant & Equipment Written off	-	N/A	(2,323)	N/A
Loss on Sale of Property, Plant & Equipment	(218)	N/A	(218)	N/A

There were no off balance sheet financial instruments as at the date of this report.

**B11 Material litigations**

Save as disclosed below, the Company and its subsidiary companies are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant as at the date of this report:-

- i) On 5 December 2016, P3 Technology Engineering Sdn Bhd ("P3") through its solicitors filed and served a winding-up petition on PTTSB claiming the sum of RM4,436,737.71 being the alleged outstanding sum due to P3 for the supply of manpower by P3 for the SAMUR Project. The matter is fixed for hearing on 2 April 2017. The Company has signed a out of court settlement agreement on 31 March 2017 with P3 Technology in which P3 has reduced the claim to RM1.5 million if the amount is fully settled on or before 30 June 2017.
- ii) On 2 July 2015, Cadet Nadia Adib Shakila Binti Roslan ("Cadet") sued APFTSB for wrongful termination of a flight training course and claims a sum of RM250,000.00 being the refund of the fee paid and general damages of RM280,000.00 (being the cost of completion the said course with another approved flight training organisation). The termination of Cadet's flight training course was due to the Cadet not successfully completing all her professional exams in line with the guidelines from the Department of Civil Aviation, Malaysia. On 23 October 2015, the Judge allowed the Cadet's solicitors' oral application to transfer the case from the High Court to the Sessions Court. This matter is currently pending the Sessions Court to revert with the first case management date. Our Directors are of the opinion that our Company has a strong case and that they would be able to obtain favorable judgment.
- iii) On 28 October 2014, Captain Ramesh A/L Marutheappan ("Captain") commenced an industrial action against APFTSB for unlawful termination and a claim for loss of salary. The Captain's employment was terminated due to an incident involving detachment and damages of the rear door of a plane during a training conducted by the Captain. This matter has been fixed for case management on 20 March 2017 and full hearing on 25 and 26 April 2017. On 26 April 2017, both parties have signed a settlement agreement in which APFTSB will make full settlement of RM90,774.00 by initial payment of RM50,000 followed by 3 equal monthly installment amounting to RM40,774.00

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iv) On 30 December 2016, CIMB Factorlease Berhad filed a suit against APFTSB claiming a sum of RM498,764.10 for the recall of a hire purchase facility. The plaintiff's application for summary judgment has been fixed for case management on 31 March 2017 for parties to exhaust affidavits, file submissions and fix a decision date. Upon the negotiation between CIMBFL and the Company, CIMBFL had via its letter dated 16 May 2017 agreed to accept the principal sum of RM482,109.93 as a full and final Settlement Sum of the amounts owing under the CIMBFL's Writ and Statement of Claim vide Kuala Lumpur Sessions Court Suit No. WA-B52NCC-998012/2016 payable in the following manner :

- i) RM48,200.00 to be paid on or before 31 May 2017
- ii) RM433,909.93 to be paid on or before 30 August 2017

As agreed above, the Company shall made the first payment of RM48,200.00 on or before 31 May 2017. The balance of RM433,909.93 is expected to be paid before 30 August 2017 or upon the completion of the Proposed Creditors Capitalisation Exercise undertaken by the Company.

v) On 7 December 2016, Teguh Oil Sdn Bhd filed a suit against APFTSB claiming a sum of RM1,574,972.00 being amounts outstanding for the supply of AVGAS 100LL, a type of aviation fuel used by light aircrafts. APFTSB has applied for the matter to be transferred to Kuala Lumpur. The matter is now fixed for case management on 6 April 2017 pending the outcome of a viable settlement negotiation from both parties. The Case Management was held on 11 January 2017, the Court was directed the Plaintiff and APFTSB filed defence and closed of pleadings on 22 February 2017 for mediation.

On 22 February 2017, the Court was fixed the matter for another case management on 6 April 2017 which pending settlement. The consent judgment has been recorded on 04.05.2017 in which APFTSB is to make monthly repayment of RM20,000 per month.

vi) On 9 November 2016, Public Bank Berhad filed a suit against APFTSB claiming the sum of RM746,986.40 in relation to the recall of loan facility offered by the bank to APFTSB. The application for summary judgement is fixed for decision on 28 March 2017. the Company has accepted the Bank's proposal as per the banks letter dated 23 March 2017 in which APFTSB is required to make full settlement of the arrears for Fixed Loan Facilities 2 amounting to RM49,255.26 and which was done so by APFT SB on the 3 April 2017. As for Fixed Loan Facilities 1, APFTSB is still in negotiation with the bankers to make the settlement of the arrears as stated in the bank's letter dated 11 April 2017 by 31 May 2017. In the meantime, the Court has directed both parties as follows:

- a. Both parties to file submission simultaneously by 2 June 2017
- b. Parties to file submission in reply by 16 June 2017
- c. Hearing is fixed on 20 June 2017

vii) On 10 January 2017, Malaysia Airports Sdn Bhd ("MASB") vide its solicitors issued a letter of demand to APFTSB for the sum of RM2,669,916.23 in respect of amounts outstanding on subleases/tenancies of lease rental at Kota Bahru airport. Legal proceedings have yet to be initiated by MASB. The Directors are of the opinion that a settlement can be reached between the parties. The estimated maximum exposure to liabilities is RM2,669,916.23 together with interest, if any, and legal costs.

**B12 Dividends**

No dividends have been declared in respect of the financial period under review.

**B13 Loss per share**

**Basic**

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR TO DATE ENDED
	30.04.2017	30.04.2016	30.04.2017	30.04.2016
Net loss for the period attributable to ordinary shareholders of the Company (RM'000)	(380)	N/A	(7,901)	N/A
Number of ordinary shares in issue ('000)	548,833	N/A	548,833	N/A
Basic loss per share (sen)	(0.07)	N/A	(1.44)	N/A

**Diluted**

Diluted losses per ordinary share is not applicable for the financial period as the unexercised convertible warrants were anti-dilutive in nature., this is due to the average market share price of the Company is below the exercise price of warrants.

**APFT BERHAD**  
**Company No.: 886873-T**  
(Incorporated in Malaysia)  
**Quarterly Report on Results for The Quarter Ended 30 April 2017**  
**NOTES**

**B14 Realised and Unrealised Losses Disclosure**

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	30.04.2017	30.04.2016
	RM'000	RM'000
Total accumulated losses of the Group		
- realised	(1,291)	N/A
- unrealised	(116)	-
Total group accumulated losses	<u>(7,316)</u>	<u>-</u>
Consolidation adjustment	291	N/A
Total group's accumulated losses	<u><u>(7,025)</u></u>	<u><u>-</u></u>

**B15 Authorisation for issue**

This interim financial report was duly reviewed and approved by the Board of Directors on 14 June 2016

**By Order of the Board**

**Company Secretary**

**Date :**