

APFT BERHAD

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

Quarterly Report on Results for The Quarter Ended 31 December 2017 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT 31.12.2017 RM'000	AUDITED AS AT 31.07.2016 RM'000
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>	11,919	31,859
<i>Other investment</i>	167	428
<i>Goodwill on consolidation</i>	-	18,631
<i>Deferred cost</i>	276	145
<i>Fixed deposits</i>	113	113
Total non-current assets	12,475	51,176
Current assets		
<i>Inventories</i>	131	1,321
<i>Amount due from contract customers</i>	-	3,673
<i>Deferred cost</i>	-	131
<i>Trade receivables</i>	8,864	8,947
<i>Other receivables</i>	20,672	4,472
<i>Tax recoverable</i>	1,005	125
<i>Cash and bank balances</i>	1,306	2,398
Total current assets	31,978	21,067
<i>Non - Current Asset held for Sale</i>	860	1,431
Total assets	45,313	73,674
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
<i>Share capital</i>	55,638	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>	(195)	(1)
<i>(Accumulated Losses) / Unappropriated profits</i>	(33,100)	2,516
	16,970	21,008
<i>Non-controlling interests</i>	(6,110)	(6,415)
Total equity	10,860	14,593
Non-current liabilities		
<i>Hire purchase creditor</i>	-	78
<i>Deferred tax liabilities</i>	-	133
<i>Other payables</i>	-	36
Total non-current liabilities	-	247
Current liabilities		
<i>Trade payables</i>	19,836	20,829
<i>Other payables</i>	9,196	16,467
<i>Amount due to non-controlling interests</i>	-	2,419
<i>Amount due to Directors</i>	3,085	7,653
<i>Deferred income</i>	437	2,449
<i>Term loans and hire purchase creditors</i>	1,899	6,961
<i>Bank overdraft</i>	-	2,056
Total current liabilities	34,453	58,834
Total liabilities	34,453	59,081
Total liabilities and equity	45,313	73,674
Number of ordinary shares in issue ('000)	1,239,159	477,332
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.01	0.03

Note:

- a. 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
(Incorporated in Malaysia)

Quarterly Report on Results for The Quarter Ended 31 December 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
	31.12.2017 RM'000	30.12.2016 RM'000	31.12.2017 RM'000	30.12.2016 RM'000
Operating revenue	5,282	N/A	74,354	N/A
Cost of services	(10,628)	N/A	(79,100)	N/A
Gross Profit / (Loss)	(5,346)	N/A	(4,746)	N/A
Other income	1,889	N/A	18,138	N/A
Administrative expenses	(9,178)	N/A	(28,038)	N/A
Marketing expenses	-	N/A	(845)	N/A
Other expenses	(5,745)	N/A	(26,353)	N/A
Finance costs	-	N/A	(1,404)	N/A
Share of loss in an associate	-	N/A	-	N/A
Profit / (Loss) before taxation	(18,380)	N/A	(43,248)	N/A
Tax expense	-	N/A	(29)	N/A
Profit / (Loss) for the period	(18,380)	N/A	(43,277)	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive Profit / (Loss)	(18,380)	N/A	(43,277)	N/A
Net Profit / (Loss) attributable to:				
Owners of the Company	(14,143)	N/A	(42,922)	N/A
Non-controlling interests	(4,237)	N/A	(355)	N/A
Net Profit / (Loss) for the financial period	(18,380)	N/A	(43,277)	N/A
Total comprehensive profit / (loss) attributable to:				
Owners of the Company	(14,143)	N/A	(42,922)	N/A
Non-controlling interests	(4,237)	N/A	(355)	N/A
Total comprehensive profit / (loss) for the financial period	(18,380)	N/A	(43,277)	N/A
Weighted average no. of ordinary shares in issue ('000)	1,239,159	N/A	1,239,159	N/A
Loss per share (sen)				
(a) Basic	(1.14)	N/A	(3.46)	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 January 2018, there were no comparative financial information available for the quarter ended 31 December 2018.

APFT BERHAD

Company No.: 886873-T

(Incorporated in Malaysia)

Quarterly Report on Results for The Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	CURRENT PERIOD ENDED	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2017	31.12.2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(43,248)	N/A
Adjustments for:		
Depreciation	84	N/A
Interest expense	67	N/A
Impairment of Inventory	791	
Impairment of Aircrafts	2,864	
PPE Written Off	137	
Non Current Assets Held for Sale Impaired	1,467	N/A
Goodwill on Consolidation Write Off	18,631	
Gains on Disposal of Fixed Assets	(7,719)	
Operating loss before working capital changes	(26,926)	N/A
Changes in working capital:		
Inventories	(1,190)	N/A
Contract customers	(3,673)	N/A
Receivables	16,866	N/A
Payables	17,263	N/A
Non-controlling interests	(305)	N/A
Cash used on operations	2,035	N/A
Tax paid	-	N/A
Interest paid	-	N/A
Net cash used in operating activities	2,035	N/A
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from disposal of property, plant and equipment	-	N/A
Investment in Mutual Funds		
Net cash used in investing activities	-	N/A

APFT BERHAD

Company No.: 886873-T

(Incorporated in Malaysia)

Quarterly Report on Results for The Quarter Ended 31 December 2017 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	CURRENT PERIOD ENDED	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2017	31.12.2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(7,118)	N/A
Proceed From Issuance of Shares	3,871	N/A
Advance from Director	2	
Net cash used in financing activities	(3,245)	N/A
CASH AND CASH EQUIVALENTS		
Net Increase	(1,210)	N/A
Brought forward	2,516	N/A
Carried forward	1,306	N/A

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 January 2018, there were no comparative financial information available for the quarter ended 31 December 2018.

APFT BERHAD
Quarterly Report on Results for The Quarter Ended 31 December 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
Translation Reserve						(194)	-	(194)		(194)
Profit / (Loss) for the financial year	-	-	-	-	-	-	(43,277)	(43,277)	305	(42,972)
Total comprehensive profit / (loss) for the financial year	-	-	-	-	-	(195)	(40,761)	(22,463)	(6,110)	(43,166)
Transactions with owners of the Company:										
Issuance of Private Placement	4,006	-	-	-	-	-	-	4,006		4,006
Capitalisation of Amount Due to Creditors	11,316	-	-	-	-	-	-	11,316		11,316
Capitalisation of Amount Due to Directors	12,875	-	-	-	-	-	-	12,875		12,875
Issuance of shares, net of shares issuance expenses	3,575	-	-	-	-	-	-	3,575	-	3,575
Subsidiary Disposed off							7,661	7,661		7,661
								-		-
	31,772	-	-	-	-	-	7,661	39,433	-	39,433
Balance at 31 December 2017	55,638	15,627	(21,000)	19,233	(19,233)	(196)	(33,100)	16,970	(6,110)	10,860

Note:

- Pursuant to Section 74 of the Companies Act 2016 (" Act "), the Company's shares no longer have a par value or nominal value with effect from 31 January 2017. In accordance with the transitional provisions set out in Section 618(2) of the Act, any amount standing to the credit of the share premium account becomes part of the Company's share capital. Companies have 24 month from the commencement of the Act to utilise the credit for purposes as set out in Section 618 (3) of the Act. During the current financial period, the Company has not utilised the credit on the Share Premium account which is now has become part of the share capital. There is no impact on the number of ordinary share in issue or the relative entitlement of any of the members as a result of this transition.
- The Unaudited Condensed Consolidated Statements of Changes In Equity 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 January 2018, there were no comparative financial information available for the period ended 31 December 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 31 December 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 31 July 2016. 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 accounting policies adopted are consistent with those of the previous financial year. New standards and amendments that apply for the first time in 2017 do not have material impact on the annual consolidated financial statements of the Group not to the interim condensed consolidated financial statements of the group.

On 1 January 2017, the Group adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2017:

	Effective for annual financial periods beginning on or after
MFRS 107 : Disclosure Initiatives (Amendments to MFRS107)	1 January, 2017
MFRS 112 : Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)	1 January, 2017
Annual Improvements to MFRSs 2014 - 2016 Cycle	
(i) Amendments to MFRS 12 : Disclosure of Interests in Other Entities	1 January, 2017

MFRSs and Amendments to MFRSs issued but not yet effective

At the date of issuance of the condensed consolidated interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group.

	Effective for annual financial periods beginning on or
Annual Improvements to MFRSs 2014 - 2016 Cycle	
(i) Amendments to MFRS1 : First Time Adoption of Malaysian Financial Reporting Standards	1 January, 2017
(ii) MFRS 9 : Financial Instruments	1 January, 2017
(iii) MFRS 15 : Revenue from Contracts with Customers	1 January, 2017

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.

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Quarterly Report on Results for The Quarter Ended 31 December 2017
NOTES

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 31 December 2017	Flight education and training	Mechanical engineering works and services	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from					
External customers	853	3,829	600	-	5,282
Inter-segment revenue	-	-			-
Total revenue	<u>853</u>	<u>3,829</u>	<u>600</u>	<u>-</u>	<u>5,282</u>
Segmented results	(3,033)	(8,646)	(3,150)	993	(13,836)
Share of associate' profit less Losses					
Finance Income					
Finance Costs					
Loss before taxation					(13,836)
Tax expense					
Net Loss for the financial period					<u>(13,836)</u>
Segment assets	<u>612</u>	<u>127</u>	<u>12,037</u>	<u>(857)</u>	<u>11,919</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 31 December 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 31 December 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	-	(493)

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.

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Quarterly Report on Results for The Quarter Ended 31 December 2017
NOTES

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 31 December 2017, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM5.28 million and loss before taxation ("PBT") of RM13.8 million. The loss before tax of RM13.8 million for current quarter was mainly due impairment and writing off assets and operating costs.

Pursuant to the change of financial year from 31 July 2017 to 31 December 2017, no comparative figures are presented.

B2 Variation of results against preceding quarter

Financial Indicators	Q6FYE2017	Q5FYE2017	VARIANCE	VARIANCE
	RM'000	RM'000	RM'000	%
Revenue	5,282	7,667	(2,385)	-31%
Profit / (Loss) before taxation	(6,530)	(23,000)	16,470	-140%
Profit / (Loss) after taxation	(6,530)	(23,000)	16,470	-140%

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.

The group has embarked on reviving the flight training business in which the Company will be concentrating on Helicopter training training as its priority. The Group expects to revive the fixed wing training after it has stabilise its helicopter training.

The Group is also venturing into other aviation related businesses since the group have the facilities and assets. There are areas such as the Tourism Industry and air charter services which has big potential.

The current PTTM contract will be completed by the end of second half of 2017. We are in the process of identifying new projects in the oil and gas and general construction field.

With the consolidation and reduction of cost and the potential projects expected to come in, the board is of the opinion the financial position of our group should improve, barring any unforeseen circumstances.

Our subsidiary APFT Services Sdn. Bhd. have entered into an agreement with acquisition of 20% Equity Interest in Aviation A.I. Inc. AAI's principal activity is that of the provision of private charter air transport services. It presently owns a Gulfstream G-1159A private jet. In which APFTSSB have the intention to venture into charter flight services.

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
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Taxation for the current period	-	NA	(29)	NA
	-	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. As of 31 July 2017, the Company has decided to write off the investment in associate Company as during the financial year the buyer has cancelled their intention to purchase the shares in the associate Company. Since there weren't any new buyers the Company has decided to write off the investment. The Company has also disposed of two of its loss making subsidiaries during the quarter.

B7 Quoted securities

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

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Quarterly Report on Results for The Quarter Ended 31 December 2017
NOTES

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. APFT Berhad has decided to write off the investment in associate company as of 31 July 2017.
- 2) 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").
- 3) 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 20 August 2017
 - (c) The Company, proposed to revise the cut-off date for the Proposed Directors Capitalisation from 31 July 2016 to 20 August 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.

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

The status of utilisation of the proceeds from private placement as at 31 December 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	1,500	Within 12 months	1,500	-
- Payment of creditors	2,371	Within 12 months	1,800	571
Total	3,871		3,300	571

B9 Borrowings and debt securities

Short term borrowings:

	CURRENT YEAR QUARTER 31.12.2017 RM'000
Secured	-
Hire purchase creditors	742
Term loans	1,157
	1,899

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2016 RM'000	CURRENT YEAR TODATE 31.12.2017 RM'000	PRECEDING YEAR TO DATE ENDED 31.12.2016 RM'000
Impairment of Inventory	(791)	N/A	(791)	N/A
Depreciation	(84)	N/A	(2,530)	N/A
Interest expense	(67)	N/A	(600)	N/A
Rental expense	(9)	N/A	(2,849)	N/A
Rental Income	-	N/A	697	N/A
Property, Plant & Equipment Written off	(137)	N/A	(2,323)	N/A
Gain on Sale of Property, Plant & Equipment	-	N/A	7,719	N/A
Impairment of Aircrafts	2,864	N/A	-	N/A
Non Current Assets Held for Sale Impaired	1467	N/A	-	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. On 23 December 2017, P3 had obtained winding up order against PTTMSB.
- 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.
- 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. As of todate, PBB has halted all legal cases as APFTSB have since sold the Wisma UOA property and in the midst of making full an final settlement of the loan amount.
- 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.

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Quarterly Report on Results for The Quarter Ended 31 December 2017
NOTES

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	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TODATE	TO DATE ENDED
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net loss for the period attributable to ordinary shareholders of the Company (RM'000)	(14,143)	N/A	(42,922)	N/A
Number of ordinary shares in issue ('000)	1,239,159	N/A	1,239,159	N/A
Basic Profit / (loss) per share (sen)	(1.14)	N/A	(3.46)	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.

B14 Realised and Unrealised Losses Disclosure

	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER
	31.12.2017	31.12.2016
	RM'000	RM'000
Total accumulated losses of the Group		
- realised	(57,483)	N/A
- unrealised	16,722	-
Total group accumulated losses	(40,761)	-
Consolidation adjustment	7,661	N/A
Total group's accumulated losses	(33,100)	-

B15 Changing of financial year end

The company decided to change its financial year end from 31 July 2017 to 31 January 2018

B16 Authorisation for issue

This interim financial report was duly reviewed and approved by the Board of Directors on 26 February 2018.

By Order of the Board

Company Secretary

Date : 26-Feb-18