

APFT BERHAD

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

Unaudited Quarterly Report on Results for The Quarter Ended 30 April 2019 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT 30.04.2019 RM'000	AUDITED AS AT 31.01.2018 RM'000
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>	6,078	12,220
<i>Other investment</i>	-	1,761
<i>Fixed deposits</i>	-	113
Total non-current assets	6,078	14,094
Current assets		
<i>Inventories</i>	-	521
<i>Trade receivables</i>	54	7,794
<i>Other receivables</i>	143	2,228
<i>Tax recoverable</i>	87	92
<i>Cash and bank balances</i>	63	2,359
Total current assets	347	12,994
<i>Non - Current Asset held for Sale</i>	358	-
Total assets	6,783	27,088
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
<i>Share capital</i>	73,196	57,569
<i>Reserves</i>	-	5
<i>Share Premium</i>	-	15,627
<i>Merger Surplus / (Deficit)</i>	195	(21,000)
<i>(Accumulated Losses) / Unappropriated profits</i>	(77,009)	(61,531)
	(3,618)	(9,330)
<i>Non-controlling interests</i>	-	(9,931)
Total equity	(3,618)	(19,261)
Non-current liabilities		
<i>Deferred tax liabilities</i>	-	133
<i>Other payables</i>	-	105
Total non-current liabilities	-	238
Current liabilities		
<i>Trade payables</i>	114	20,152
<i>Other payables</i>	10,260	22,198
<i>Amount due to non-controlling interests</i>	-	1,410
<i>Amount due to Directors</i>	27	101
<i>Deferred income</i>	-	303
<i>Term loans and hire purchase creditors</i>	-	1,947
Total current liabilities	10,401	46,111
Total liabilities	10,401	46,349
Total liabilities and equity	6,783	27,088
Number of ordinary shares in issue ('000)	1,342,422	477,332
Net assets per share attributable to ordinary equity holders of the Company (RM)	(0.00)	(0.04)

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 January 2018 and the accompanying notes attached to this interim financial report.

APFT BERHAD

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

Unaudited Quarterly Report on Results for The Quarter Ended 30 April 2019

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED
	30.04.2019 RM'000	30.04.2018 RM'000	30.04.2019 RM'000	30.04.2018 RM'000
Operating revenue	(474)	N/A	1,330	N/A
Cost of services	389	N/A	(703)	N/A
Gross Profit / (Loss)	(85)	-	627	-
Other income	66,730	N/A	72,104	N/A
Administrative expenses	(13,761)	N/A	(57,089)	N/A
Marketing expenses	-	N/A	-	N/A
Other expenses	-	N/A	-	N/A
Finance costs	-	N/A	-	N/A
Profit / (Loss) before taxation	52,884	-	15,642	-
Tax expense	-	N/A	-	N/A
Profit / (Loss) for the period	52,884	-	15,642	-
Other comprehensive income	-	N/A	-	N/A
Total comprehensive Profit / (Loss)	52,884	-	15,642	-
Net Profit / (Loss) attributable to:				
Owners of the Company	52,884	N/A	15,642	N/A
Non-controlling interests	-	N/A	-	N/A
Net Profit / (Loss) for the financial period	52,884	N/A	15,642	N/A
Total comprehensive profit / (loss) attributable to:				
Owners of the Company	52,884	N/A	15,642	N/A
Non-controlling interests	-	N/A	-	N/A
Total comprehensive profit / (loss) for the financial period	52,884	N/A	15,642	N/A
Weighted average no. of ordinary shares in issue ('000)	1,342,422	N/A	1,342,422	N/A
Loss per share (sen)				
(a) Basic	3.94	N/A	1.17	N/A

Notes:

- a. 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 January 2018 and the accompanying notes attached to this interim financial report.

APFT BERHAD

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

Unaudited Quarterly Report on Results for The Quarter Ended 30 April 2019 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	CURRENT QUARTER ENDED	PRECEDING YEAR CORRESPONDING PERIOD
	30.04.2019 RM'000	30.04.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	15,642	N/A
Adjustments for:		
Bad Debt Written Off	6	
Depreciation PPE	778	
Receivables - Impairment	2,004	
Impairment of Amount Due From Disposed Related Company	24,675	
Impairment of Investment in Associated Company	3,200	
PPE Impaired	1,624	
(Gain) / Loss on Disposal of PPE	93	
Operating loss before working capital changes	<u>48,022</u>	N/A
Changes in working capital:		
Inventories	521	-
Receivables	(16,862)	N/A
Payables	(32,079)	N/A
Amount owing to Directors	(73)	N/A
Deferred Income	(302)	
Non-controlling interests	(1,410)	-
Cash used on operations	<u>(2,183)</u>	N/A
Tax paid	(133)	-
Tax Refund	5	-
Net cash used in operating activities	<u>(2,311)</u>	N/A
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of PPE	(402)	
Other Investment	1,761	
Fixed Deposit	113	
Disposal of PPE	488	-
Net cash used in investing activities	<u>1,960</u>	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Loans	(1,196)	N/A
Repayments of finance lease	(749)	N/A
Net cash used in financing activities	<u>(1,945)</u>	N/A
CASH AND CASH EQUIVALENTS		
Net Increase	(2,296)	N/A
Brought forward	2,359	N/A
Carried forward	<u>63</u>	N/A

Notes:

- a. The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2018 and the accompanying notes attached to this interim financial report.
- b. The Group has changed the financial year end from 31 July 2016 to 30 September 2017, and subsequently, from 30 September 2017 to 31 January 2018. There were no comparative financial information available for the quarter ended 31 October 2018.

APFT BERHAD

Quarterly Report on Results for The Quarter Ended 31 October 2018

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 February 2018	57,569	15,628	(21,000)	19,233	(19,233)	5	(61,531)	(9,329)	(9,931)	(19,260)
Transfer in accordance to Section 74 of the Company Act, 2016	15,628	(15,628)				-	-	-		-
Realisation of reserves due to deconsolidation			21,194			(5)	(31,120)	(9,931)		
Profit / (Loss) for the financial year	-	-	-	-	-	-	15,642	15,642	-	15,642
Total comprehensive profit / (loss) for the financial year						-	15,642	15,642		15,642
Transactions with owners of the Company:										
Issuance of shares, net of shares issuance expenses								-	-	-
Balance at 30 April 2019	<u>73,197</u>	<u>-</u>	<u>194</u>	<u>19,233</u>	<u>(19,233)</u>	<u>-</u>	<u>(77,009)</u>	<u>(3,618)</u>	<u>-</u>	<u>(3,618)</u>

Note:

- 1 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 quarter, 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.
- 2 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 January 2018 and the accompanying notes attached to this interim financial report.

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 January 2018, 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 January 2018. 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 period ended 31 January 2018.

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

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The accounting policies adopted are consistent with those of the pervious financial period. New standards and amendments that apply for the first time in 2017 do not have material impact of the group.

On 1 January 2018, the Group adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2018:

MFRS and / or IC interpretations (Including The Consequential Amendments)

MFRS 16 : Leases
IC Interpretation 23 Uncertainty over Income Tax Treatments
Amendments to MFRS 9 : Prepayments Features with Negative Compensation
Annual Improvements to MFRS Standards 2015 - 2017 Cycles
Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards (including the consequential amendments (if any) did not have any material impact on the Group's Financial Statements.

The Group has not applied in advance the following applicable accounting standards (including the consequential amendments (if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are n yet effective for the current financial year:-

MFRS and / or IC interpretations (Including The Consequential Amendments)

Effective Dates

MFRS : Definition of a Business (Amendments to MFRS3)	1 Januarv. 2020
Amendments to refrence to the Conceptual Framework in MFRS Standards	1 Januarv. 2020
MFRS 101 Presentation of Financial Statement : Definition of Material (Amendments to MFRS 101)	1 Januarv. 2020
MFRS 108 Accounting Policies, Chnages in Accounting Estimates and Errors : Definition of Material; (Amendment to MFRS 108)	1 January, 2020
MFRS 17 Insurance Contracts	1 January, 2020
MFRS 10 Consolidated Financial Statements : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 to MFRS 128)	Deferred
	Deferred
MFRS 128 Investments in Associates and Joint Ventures : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 to MFRS 128)	

The adoption of the above applicable standard and interpretations is expected to have no material impact on the financial position and performance of the group

A3 Auditor's report

The auditor's report of the Group for the financial year ended 31 January 2018 reported a statementof " Material Uncertainty Related to Going Concern" in respect of APFT's Financial Statements for the financial period ended 31 January 2018.

Material Uncertainty Related to Going Concern

In the Audited Financial Statements, the Group and the company incurred a net loss of RM 67,567,994 and RM14,508,455 respectively, and as of that date, the Group and the Company had a negative operating cash flow of RM 8,387,056 and RM 14,287,049 respectively. The Groups current liabilities exceeded its total current assets by RM 31,919,349. In addition, one of the subsidiaries was unable to meet its borrowings obligations during the financial period and a few principal bankers had issued letters of demand and statement of claim to the subsidiary. Certain creditors had issued letters of demand to the subsidiary due to long overdue debts. In view of this, the auditors were of the opinion there were material uncertainties that may cast significatnt doubt on the ability of the Group to continue as a going concern.

Basis for Qualified Opinion

The Group had issued Employee's Share Option Schee ("ESOS") amounting to RM 3,575,000. The auditors were unable to obtain the valuation report from external specialist on the fair value of share options granted. They were not able to obtain sufficient appropriate audit evidence to establish the completeness, valuation and allocation of the ESOS.

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.

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Unaudited Quarterly Report on Results for The Quarter Ended 30 April 2019
NOTES

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.

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 charter services as its operating segments.

Quarter ended 31 October 2018	Flight education and training	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from				
External customers	-	636	-	636
Total revenue	<u>-</u>	<u>636</u>	<u>-</u>	<u>636</u>
Segmented results	(62)	(2,091)	-	(2,153)
Loss before taxation				(2,153)
Tax expense				-
Net Loss for the financial quarter				<u>(2,153)</u>
Segment assets	<u>7,665</u>	<u>2,020</u>	<u>(3)</u>	<u>9,682</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

There are no material events subsequent to the end of the quarter

A12 Changes in the composition of the Company

During the current quarter, Asia Pacific Flight Training Sdn Bhd has ceased to be a subsidiary of APFT Aviation Sdn Bhd.

A13 Contingent liabilities

There are no Contingent Liabilities for the Group during the quarter under review.

A14 Capital commitments

There was no capital commitments during the quarter under review.

A15 Significant related party transactions

There was no significant related party transactions during the quarter under review.

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Unaudited Quarterly Report on Results for The Quarter Ended 30 April 2019
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 July 2018, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM636,311 and loss before taxation ("PBT") of RM2,578,249. The loss before tax of RM2,578,249 in the current quarter was mainly due to operating costs.

INDIVIDUAL QUARTER

	QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	VARIANCE	VARIANCE
	30.04.2019	30.04.2018		
Financial Indicators	RM'000	RM'000	RM'000	%
Revenue	(474)	-	(474)	0%
Profit / (Loss) before taxation	52,884	-	52,884	0%
Profit / (Loss) after taxation	52,884	-	52,884	0%

CUMULATIVE QUARTER

	QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	VARIANCE	VARIANCE
	30.04.2019	30.04.2018		
Financial Indicators	RM'000	RM'000	RM'000	%
Revenue	1,330	-	1,330	0%
Profit / (Loss) before taxation	15,642	-	15,642	0%
Profit / (Loss) after taxation	15,642	-	15,642	0%

B2 Variation of results against preceding quarter

	Q5FYE2019	Q5FYE2019	VARIANCE	VARIANCE
	RM'000	RM'000	RM'000	%
Revenue	(474)	-	(474)	0%
Profit / (Loss) before taxation	52,884	-	52,884	0%
Profit / (Loss) after taxation	52,884	-	52,884	0%

B3 Prospects

The group has embarked on a restructuring exercise in which it has divested loss making subsidiaries.

The group has applied for new ATO licences under APFT Avitaion Sdn Bhd which is pending approval. On 13 September 2018 APFT Services obtained Approval for the Air Service Permit. The conditional approval is valid for 12 months.

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

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
	30.04.2019 RM'000	30.04.2018 RM'000	30.04.2019 RM'000	30.04.2018 RM'000
Taxation for the current period	-	-	-	-

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Unaudited Quarterly Report on Results for The Quarter Ended 30 April 2019

NOTES

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B6 Sales of unquoted investments and/or properties

On 25 April 2018, APFT Aviation Sdn Bhd, a wholly owned subsidiary of the company, had entered into a Share sale Agreement with Mohamad Farizan bin Razal Muhammad Syafiq bin Ibrahim for the disposal of 250,000,000 equity shares in Asia Pacific Flight Training Sdn Bhd representing 100% of the total share capital of the company for a total consideration of RM 10,000. During the current quarter, the sales has been completed and Asia Pacific Flight Training sdn Bhd has ceased to be a subsidiary of APFT Aviation Sdn Bhd. However, due to the fact that the company has also been wound up, the transfer of shares to the new owners name is still pending. As of to date, the shares of Asia Pacific Flight Training Sdn Bhd has not been transferred to the new owners as the company was wound up on 27th June 2018.

B7 Quoted securities

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

B8 Status of utilisation of proceeds of private placement

The proceeds from private placement has been fully utilised 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	2,371	-
Total	3,871		3,871	-

B9 Borrowings and debt securities

Short term borrowings:

Hire purchase creditors
Term loans

**CURRENT YEAR
QUARTER**

**31.10.2018
RM'000**

-
-
-

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.04.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.04.2018 RM'000	CURRENT YEAR TODATE 30.04.2019 RM'000	PRECEDING YEAR TO DATE ENDED 30.04.2018 RM'000
Depreciation	142	N/A	778	N/A
Impairment loss on investment in associates	-	N/A	3,200	N/A
Rental Income	120	N/A	528	N/A

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

APFT BERHAD
Company No.: 886873-T
(Incorporated in Malaysia)
Unaudited Quarterly Report on Results for The Quarter Ended 30 April 2019
NOTES

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 24 May 2019, the Company received Statutory Demand Pursuant to Section 465(1) Read together with Section 466(1)(A) of The Companies Act 2016 for the sum of RM3.29 million due and owing to Dato' Faruk Bin Othman and a sum of RM875,000 due and owing to Arif Bin Faruk. , On 11 June 2018 an agreement was reached between parties that the Defendants would hold over from filing any winding up petition against the Plaintiff for any claims arising from the Defendants' Notice pursuant to Section 465(1)(E) and 466(1)(A) of the Companies Act 2016 dated 24.5.2019 until the full and final determination of the Inter Partes Injunction Hearing. This position was then recorded before the High Court Judge during the hearing where the Court granted the holding over by consent. Accordingly, the High Court Judge has fixed for an Inter Partes Injunction Hearing to be heard on 18.7.2019.

B12 Dividends

No dividends have been declared in respect of the financial quarter 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 quarter.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.04.2019	PRECEDING YEAR CORRESPONDING QUARTER 30.04.2018	CURRENT YEAR TO DATE 30.04.2019	PRECEDING YEAR TO DATE ENDED 30.04.2018
Net loss for the period attributable to ordinary shareholders of the Company (RM'000)	52,884	N/A	15,642	N/A
Number of ordinary shares in issue ('000)	1,342,422	N/A	1,342,422	N/A
Basic Profit / (loss) per share (sen)	3.94	N/A	1.17	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 QUARTER 30.04.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.04.2018 RM'000
Total accumulated losses of the Group		
- realised	(193,647)	N/A
- unrealised	(62,482)	N/A
Total group accumulated losses	(256,129)	N/A
Consolidation adjustment	179,120	N/A
Total group's accumulated losses	(77,009)	N/a

B15 Authorisation for issue

This interim financial report was duly reviewed and approved by the Board of Directors on 27 June 2019.

By Order of the Board

Date :