

APFT BERHAD

Registration Number : 201001002295 (886873-T)
(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31
JANUARY 2020**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	GROUP AS AT	GROUP AS AT
	31.01.2020	30.04.2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,113	6,437
Other investment	-	-
Fixed deposits	-	-
Total non-current assets	6,113	6,437
Current assets		
Inventories	-	-
Trade receivables	-	54
Other receivables	604	143
Tax recoverable	188	85
Cash and bank balances	58	62
Total current assets	850	344
Total assets	6,963	6,781
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	73,196	73,196
Merger Surplus / (Deficit)	195	195
(Accumulated Losses) / Unappropriated profits	(76,889)	(77,114)
	(3,498)	(3,723)
Non-controlling interests	-	-
Total equity	(3,498)	(3,723)
Current liabilities		
Trade payables	307	106
Other payables	9,861	10,252
Amount due to Directors	293	27
Tax Payable	-	119
Total current liabilities	10,461	10,504
Total liabilities	10,461	10,504
Total liabilities and equity	6,963	6,781
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)	(0.01)

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 30 April 2019 and the accompanying notes attached to this interim financial report.

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Registration Number : 201001002295 (886873-T)

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	THREE (3) MONTHS ENDED		YEAR TO DATE ENDED	
	31.01.2020	31.01.2019	31.01.2020	31.01.2019
	RM'000	RM'000	RM'000	RM'000
Operating revenue	-	500	-	1,804
Cost of services	(76)	258	(174)	(1,092)
Gross Profit / (Loss)	(76)	758	(174)	712
Other income	324	4,893	1,555	5,374
Administrative expenses	(707)	(10,855)	(1,156)	(43,351)
Marketing expenses	-	23	-	23
Other expenses	-	-	-	-
Finance costs	-	-	-	-
Profit / (Loss) before taxation	(459)	(5,181)	225	(37,242)
Tax expense	-	-	-	-
Profit / (Loss) for the period continued operations	(459)	(5,181)	225	(37,242)
Discontinued Operations				
Profit for the period from discontinued operations	-	45,859	-	45,859
Profit / (Loss) for the period	(459)	40,678	225	8,617
Other comprehensive income	-	-	-	-
Total comprehensive Profit / (Loss)	(459)	40,678	225	8,617
Net Profit / (Loss) attributable to:				
Owners of the Company	(459)	(5,181)	225	(31,545)
Non-controlling interests	-	45,859	-	-
Net Profit / (Loss) for the financial period	(459)	40,678	225	8,617
Total comprehensive profit / (loss) attributable to:				
Owners of the Company	(459)	(2,153)	225	(2,539)
Non-controlling interests	-	-	-	-
Total comprehensive profit / (loss) for the financial period	(459)	40,678	225	8,617
Weighted average no. of ordinary shares in issue ('000)	1,342,422	1,342,422	1,342,422	1,342,422
Loss per share (sen)				
(a) Basic	(0.03)	3.03	0.02	0.64

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 30 April 2019 and the accompanying notes attached to this interim financial report.

APFT BERHAD

Registration Number : 201001002295 (886873-T)

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL
ENDED 31 JANUARY 2020****QUARTER****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(The figures have not been audited)

	CURRENT QUARTER ENDED	PRECEDING YEAR CORRESPONDING PERIOD
	31.01.2020	31.01.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	225	8,617
Adjustments for:		
Discontinued operations		(45,859)
Bad Debts written off		59
Write Back of Consultancy Expenses	-	-
Impairment on Trade Receivables	-	2,000
Impairment on Other Receivables	-	27,901
Impairment of Investment in associates	-	3,200
Depreciation PPE	324	636
(Gain) / Loss on Disposal of PPE	-	1800
Operating loss before working capital changes	<u>549</u>	<u>(1,646)</u>
Changes in working capital:		
Decrease in Inventory	-	521
Increase in Receivables	(510)	(32,390)
(Decrease) / Increase in Payables	(309)	33,139
Increase Amount owing to Directors	266	-
Cash used on operations	<u>(4)</u>	<u>(376)</u>
Net cash used in operating activities	<u>(4)</u>	<u>(376)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisition of investment in associates	-	(3,200)
Acquisition of PPE	-	(413)
Proceed from disposal of Investment	-	1,761
Net cash used in investing activities	<u>-</u>	<u>(1,852)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to Director	-	(101)
Repayment of Borrowings	-	(10)
Net cash used in financing activities	<u>-</u>	<u>(111)</u>
CASH AND CASH EQUIVALENTS		
Net Decrease	(4)	(2,339)
Brought forward	62	2,359
Carried forward	<u>58</u>	<u>20</u>

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 30 April 2019 and the accompanying notes attached to this interim financial report.

APFT BERHAD
UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020

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 May 2019	73,196	-	195	19,200	(19,200)	-	(77,114)	(3,723)	-	(3,723)
Transfer in accordance to Section 74 of the Company Act, 2016	-	-				-	-	-		-
Realisation of reserves due to deconsolidation			-			-	-	-	-	-
Profit / (Loss) for the financial year	-	-	-	-	-	-	225	225	-	225
Total comprehensive profit / (loss) for the financial year						-	225	225		225
Transactions with owners of the Company:										
Issuance of shares, net of shares issuance expenses	-	-	-	-	-	-	-	-	-	-
Balance at 31 January 2020	<u>73,196</u>	<u>-</u>	<u>195</u>	<u>19,200</u>	<u>(19,200)</u>	<u>-</u>	<u>(76,889)</u>	<u>(3,498)</u>	<u>-</u>	<u>(3,498)</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 30 April 2019 and the accompanying notes attached to this interim financial report.

UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020
NOTES

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

The interim financial statements should be read in conjunction with the audited financial statements for the period ended 30 April 2019. 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 30 April 2019.

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 February 2018. 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 period. New standards and amendments that apply for the first time in 2018 do not have material impact of the group.

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

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

Effective Dates

MFRS : Definition of a Business (Amendments to MFRS3)	1 January, 2020
Amendments to reference to the Conceptual Framework in MFRS Standards	1 January, 2020
MFRS 101 Presentation of Financial Statement : Definition of Material (Amendments to MFRS 101)	1 January, 2020
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors : Definition of Material;	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	Deferred
MFRS 128 Investments in Associates and Joint Ventures : Sale or Contribution of Assets between an Investor	Deferred

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 period ended 30 April 2019 carries a Disclaimer of Opinion. The auditor's do not express an opinion on the audited financial statements of the Group and of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of their report, they have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1 Material uncertainty relating to the going concern basis

- a. As described in Note 1(d) to the financial statements, the Company incurred net losses of RM68,667,944 for the financial period from 1 February 2018 to 30 April 2019. As at 30 April
- b. On 19 January 2018, the Company announced that it was classified as an affected listed issuer pursuant to Paragraph 2.1(e) of Practice Note 17 ("PN 17") under the Main Market. As at the date of this the audited report, as the Group is currently in the midst of formalising the Regularisation Plan, the auditors are unable to determine whether the Regularisation. The ability of the Group and the Company to operate as a going concern is dependent upon:
 - (i) The timing and successful formulation and implementation of the Regularisation Plan; and
 - (ii) The Group and the Company achieving sustainable and viable operations.

2 Disposal of certain subsidiaries in prior year

The auditors were unable to satisfy ourselves in respect of the following assertions and obtain sufficient appropriate audit evidence that the opening balances i.e. balances as of 1

- i. they were unable to obtain sufficient appropriate audit evidence to satisfy ourselves on the nature and classification of certain consolidation adjustments amounting to RM5,931,308 in
- ii. The Company has disposed certain subsidiaries in prior financial period from 1 August 2016 to 31 January 2018. Based on our audit procedures performed, the net liabilities of These net liabilities were only derecognised in the current financial period as gain on disposal of subsidiaries, included as other income in the statement of profit and loss and other

3 Basis for Qualified Opinion

The Group had issued Employee's Share Option Scheme ("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.

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 January 2020	Flight education and training RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from				
External customers	-	324	-	324
Total revenue	<u>-</u>	<u>324</u>	<u>-</u>	<u>324</u>
Segmented results	-	(783)	-	(783)
Profit / (Loss) before taxation				(783)
Tax expense				-
Net Loss for the financial quarter				<u><u>(459)</u></u>
Segment assets	<u>5,012</u>	<u>1,104</u>	<u>(3)</u>	<u>6,113</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

Bursa Securities has, vide its letter dated 4 March 2020, decided to reject the 3rd Extension of Time Application as the Company has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities.

Company received a suspension and de-listing notice dated 4 March 2020 from Bursa Securities wherein Bursa Securities vide their letter dated on 4 March 2020 has rejected the 3rd Extension of Time Application.

In the circumstances and pursuant to Paragraph 8.04(5) of the Listing Requirements:

a) the trading in the securities of APFT will be suspended with effect from 12 March 2020; and

b) the securities of the Company will be de-listed on 16 March 2020 unless an appeal against the de-listing is submitted to Bursa Securities on or before 11 March 2020 ("**Appeal Timeframe**"). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities.

In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the removal of the securities of the Company from the Official List of Bursa Securities on 16 March 2020 shall be deferred pending the decision on the Company's appeal.

UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020

NOTES

With respect to the securities of the Company which are currently deposited with Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**"), the securities may remain deposited with Bursa Depository notwithstanding the de-listing of the securities from the Official List of Bursa Securities. It is not mandatory for the securities of a company which has been de-listed to be withdrawn from Bursa Depository. Alternatively, shareholders of the Company who intend to hold their securities in the form of physical certificates, can withdraw these securities from their Central Depository System ("**CDS**") accounts maintained with Bursa Depository at anytime after the securities of the Company have been de-listed from the Official List of Bursa Securities. This can be effected by the shareholders submitting an application form for withdrawal in accordance with the procedures prescribed by Bursa Depository. These shareholders can contact any Participating Organisation of Bursa Securities and/or Bursa Securities' General Line at 03-2034 7000 for further information on the withdrawal procedures. Upon the de-listing of the Company, the Company will continue to exist but as an unlisted entity. The Company is still able to continue its operations and business and proceed with its corporate restructuring and its shareholders can still be rewarded by the Company's performance. However, the shareholders will be holding shares which are no longer quoted and traded on Bursa Securities. Further, in the event the Company submits an appeal to Bursa Securities, the Company is required to make an announcement of the appeal and that the removal of the securities of the Company on 13 February 2019 will be deferred pending the decision on the Company's appeal by Bursa Securities.

On [9] March 2020, issued a termination letter to QEOS LED Sdn Bhd ("**QEOS LED**") to terminate the MOU which was entered into between the Company and QEOS LED on 9 January 2020.

The Board of Directors of APFT ("**Board**") wishes to announce that the Company has on [9] March 2020 entered into a memorandum of understanding ("**MOU**") with HELP International Corporation Berhad (Registration No.: 200501018453 (700568-H)) ("**HIC**" or "**Vendor**") to negotiate in good faith with a view of entering into a definitive sale and purchase agreement ("**SPA**") for the acquisition by APFT of certain educational assets/ business of HIC ("**Proposed Acquisition**") and the other key proposals to be implemented under the Proposed Regularisation Plan (as defined herein). The proposed regularisation plan would involve, *inter-alia*, the Proposed Acquisition and other key proposals including a fund raising exercise ("**Proposed Regularisation Plan**").

On 11 March 2020, submitted an appeal ("**Appeal**") to Bursa Securities against the commencement of de-listing procedures on the securities of the Company as well as to re-consider the rejection and to approve the application for a third extension of time for the Company to submit the proposed regularisation plan to the regulatory authorities.

Given that the Appeal was submitted within the "Appeal Timeframe" (i.e. on or before 11 March 2020), the removal of the securities of the Company from the Official List of Bursa Securities on 16 March 2020 shall be deferred pending the decision by Bursa Securities on the Appeal.

A12 Changes in the composition of the Group

There were no changes in the Composition of the Group.

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.

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 October 2019, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue from other income of RM1,417,000 from disposal of assets and discount received from vendor and profit before taxation ("PBT") for the quarter was RM717,000.

INDIVIDUAL QUARTER

Financial Indicators	QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	VARIANCE	VARIANCE
	31.01.2020 RM'000	31.01.2019 RM'000	RM'000	%
Revenue	-	-	-	0%
Profit / (Loss) before taxation	(459)	(5,181)	4,722	1129%
Profit / (Loss) after taxation	(459)	40,678	(41,137)	-8862%

UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020

NOTES

CUMULATIVE QUARTER

Financial Indicators	QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	VARIANCE	VARIANCE
	31.01.2020 RM'000	31.01.2019 RM'000	RM'000	%
Revenue	-	500	(500)	0%
Profit / (Loss) before taxation	225	(37,242)	37,467	-99%
Profit / (Loss) after taxation	225	8,617	(8,392)	-103%

B2 Variation of results against preceding quarter

Financial Indicators	Q3FYE2020	Q3FYE2019	VARIANCE	VARIANCE
	RM'000	RM'000	RM'000	%
Revenue	-	-	-	0.00%
Profit / (Loss) before taxation	(459)	(5,181)	4,722	-1028.76%
Profit / (Loss) after taxation	(459)	40,678	(41,137)	8962.31%

B3 Prospects

The group has embarked on a restructuring exercise in which it has divested loss making subsidiaries and has applied for new Air Service Permit under APFT Services Sdn. Bhd..

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
	31.01.2020	31.01.2019	31.01.2020	31.01.2019
	RM'000	RM'000	RM'000	RM'000
Income tax	-	-	-	-
Taxation for the current period	-	-	-	-
Deferred tax assets	-	-	-	-
Estimated deferred tax for current period	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

B6 Sales of unquoted investments and/or properties

N/A

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	<u>3,871</u>		<u>3,871</u>	<u>-</u>

NOTES

B9 Borrowings and debt securities

N/A

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR	TO DATE ENDED
	QUARTER	QUARTER	TODATE	31.01.2019
	31.01.2020	31.01.2019	31.01.2020	31.01.2019
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) before taxation is arrived after charging:				
Bad Debts Written Off	-	59	-	59
Depreciation	162	165	324	165
Gain on disposal of investment in subsidiaries	-	(20)	213	(20)
Impairment loss on:				
- Other receivables	-	3,437	-	3,437
Impairment of loss on investment in associates	-	3,200	-	3,200
Loss on disposal of property, plant and equipment	-	1	-	1
Rental expenses	-	203	-	203

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 27 August 2019, APFT Aviation received an originating summons from Asia Pacific Flight Training Sdn. Bhd (In Liquidation). On 3 September 2019 the case was heard in Kuala Lumpur High Court on the Interim Injunction ("Encl 3") hearing before the High Court Judge. Counsel for Asia Pacific Flight Training Sdn Bhd (In Liquidation) ("the Plaintiff") has informed the court that Encl 3 is essentially an injunction against APFT Aviation Sdn Bhd ("the Defendant") from inter alia dealing, selling and/or disposing of 16 aircrafts which belonged to the Plaintiff but was transferred to the Defendant prior to the Plaintiff being wound up. Accordingly, the Plaintiff has also apprised the court that the Plaintiff will not be pursuing Encl 3 and will proceed with the Originating Summons ("Encl 1") should it be discovered that the aircrafts have subsequently been sold off to other parties. The court set the date for case management to 17 September 2019.

On 17 September 2019, the proposed ad interim order was presented to the Plaintiff and agreed upon by all parties. The proposed ad interim order was then recorded before the High Court Judge and the court proceeded to grant an ad interim injunction pending the hearing of the Plaintiff's application for an interim injunction ("Enclosure 3") based on the terms in the proposed ad interim order. The High Court Judge proceeded with the following directions:

- 4.1 the hearing of Enclosure 3 on 24.10.2019;
- 4.2 case management for Enclosure 1 on 24.10.2019;
- 4.3 the hearing of Enclosure 1 on 11.11.2019; and
- 4.4 the exchange of all affidavits to be exhausted before the hearing of Enclosure 3.

APFT Aviation - Case Management 11.11.2019

Enclosure 3

1. Both parties agreed to a proposed consent order vis a vis the Plaintiff's Notice of Application for an Inter Parte Injunction ("Enclosure 3"). Accordingly, the proposed consent order for Enclosure 3 was recorded before the High Court Judge and the court proceeded to grant an Inter Parte Injunction pending the hearing of the Plaintiff's Originating Summons ("Enclosure 1") based on the terms in the proposed consent order for Enclosure 3.

Enclosure 18

2. As you are also previously aware, both parties agreed to a proposed consent order vis a vis the Defendant's Notice of Application for Conversion to Writ ("Enclosure 18").

However, despite both parties consenting to the proposed consent order for Enclosure 18, the High Court Judge dismissed Enclosure 18 with liberty to file afresh and an order for costs in the cause. The High Court Judge was of the opinion that a conversion application was not necessary and that if parties require oral evidence to be heard, parties can apply for a right to cross-examine.

3. In light of the dismissal of Enclosure 18, the matter will be moving forward with the hearing of Enclosure 1.

Further Directions

4. In moving forward with the hearing of Enclosure 1, the High Court Judge gave the following directions:

- 4.1 the Plaintiff is to file an affidavit of reply within 14 days;
- 4.2 if there are to be any applications for cross-examination, parties are to put in an application as soon as possible; and
- 4.3 the hearing of Enclosure 1 is fixed for 20th – 21st April 2020.

- ii) 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. The Board of Directors of APFT Berhad ("the Board") wishes to announce that APFT Berhad had on 15th July 2019 has commenced a civil suit, namely Kuala Lumpur High Court Civil Suit. On 14 November 2019, the Court of Appeal has been apprised that the Record of Appeal has been filed and all cause papers are in order. Accordingly, the Deputy Registrar proceeded to fix hearing dates for the appeal on **29.6.2019**.

The Deputy Registrar further directed that the following are to be filed on or before 15.6.2020:

- 3.1 a common core bundle (if the record of appeal is more than 5 volumes);
- 3.2 a chronology of facts for the appellant and a chronology of facts for the respondent;
- 3.3 the written submission and bundle of authorities for each party; and
- 3.4 an executive summary (if the written submission is more than 30 pages).

UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020

NOTES

iii)

On 15 July 2019, the Company issued Writ of Summons to 4 former directors namely Dato' Faruk Bin Othman (1st Defendants), Arif Bin Faruk (2nd defendants), Tan Boon Leng (3rd Defendant) and Tan Nyap Keong @ Tony Tan (4th Defendant) for breach of fiduciary duties and / or statutory duties and/ or duty of care to APFT Berhad for the declaration that the assignment of debts in the sum of RM16,646,851.22 which is said to be due and owing to the 1st and 2nd defendants from Asia Pacific Flight Training Sdn. Bhd. t, APFT Services Sdn. Bhd., PTTM Oil & Gas Sdn. Bhd., APFT Engineering Sdn. Bhd. and PT Technic (M) Sdn. Bhd. respectively to APFT BERhad was not done bona fide and are against the interest of APFT Berhad. The court set the date for case management to 25.10.2019. The Defendants 3 and 4 had also submitted their striking out application (Encl. 11)

On 25.10.2019 the hearing of the 3rd and 4th Defendants' striking out application ("Encl 11") and the case management of the Plaintiff's writ action before the Kuala Lumpur High Court Judge YA Tuan Darryl Goon was held and the the following were the directions from the court:

- 1 The Learned High Court Judge was apprised that the 3rd and 4th Defendants are withdrawing Encl 11. Accordingly, allowed the withdrawal of Encl 11 with no order as to costs.
- 2 The 3rd and 4th Defendants also apprised the court that they will be filing an amended Defence. The High Court Judge allowed the amended Defence of the 3rd and 4th Defendants to be filed.
- 3 As there was no more interlocutory applications pending, the High Court Judge gave the following pre-trial directions to be completed on or before 21.1.2020:
 - 3.1 the bundle of pleadings, after the filing of the 3rd and 4th Defendants' Amended Defence and the Plaintiff's Amended reply (if necessary);
 - 3.2 a common core bundle consisting of the following items:
 - 3.2.1 a summary of each parties case;
 - 3.2.2 a common chronology;
 - 3.2.3 a statement of agreed facts; and
 - 3.2.4 agreed issues to be tried
 - 3.3 a common bundle of documents between parties;
 - 3.4 each party's list of witnesses.
- 4 The High Court Judge also fixed the following:
 - 4.1 a case management on 21.1.2020 for the compliance of the pre-trial directions and further directions for the witness statements of parties; and
 - 4.2 trial to be conducted from 9 to 12 March 2020.

On 7 March 2020 at the request of the Plaintiff's solicitors and in light of recent health concerns surrounding the COVID-19 virus, the Learned High Court Judge the court has vacated the trial fixed on 9.3.2020 and has fixed a case management 10 March 2020. As the lawyer in charge is under a mandatory stay at home order issued by the Ministry of Health from 9.3.2020 to 12.3.2020, the court further directed that the trial dates on 11.3.2020 and 12.3.2020 be vacated and a further fixed a case management on 25.3.2020 for parties to fix new trial dates.

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	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR TO DATE ENDED
	31.01.2020	31.01.2019	31.01.2020	31.01.2019
Net Profit / (Loss) for the period attributable to ordinary shareholders of the Company (RM'000)	(459)	40,678	225	8,617
Number of ordinary shares in issue ('000)	1,342,422	1,342,422	1,342,422	1,342,422
Basic Profit / (loss) per share (sen)	(0.034)	0.030	0.017	0.006

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)

UNAUDITED QUARTERLY REPORT ON RESULTS FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020

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B14 Realised and Unrealised Losses Disclosure

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	31.01.2020	31.01.2019
	RM'000	RM'000
Total accumulated losses of the Group		
- realised	(193,065)	(93,076)
- unrealised	-	-
Total group accumulated losses	<u>(193,065)</u>	<u>(93,076)</u>
Consolidation adjustment	116,635	19,462
Total group's accumulated losses	<u><u>(76,430)</u></u>	<u><u>(73,614)</u></u>

B15 Authorisation for issue

This interim financial report was duly reviewed and approved by the Board of Directors on 23 March 2020

By Order of the Board

Date :