

APFT BERHAD (“APFT” OR “THE COMPANY”)

Type : Announcement
Subject : Material Litigation
Description : APFT Berhad (“APFT” or “the Company”)
Kuala Lumpur High Court Suit No. WA-24NCVC-516-04/2017
Muhammad Khalid Bin Abdul Whalid (NRIC No. 941101-01-5653)
 (“Muhammad Khalid” or “Plaintiff”) vs Asia Pacific Flight Training Sdn Bhd (“APFTSB” or “the Defendant”)

1, Date of Received of the Writ of Summons and Statement of Claim

The Board of Directors of APFT Berhad (“APFT” or “the Company”) wishes to announce that an indirect wholly-owned subsidiary, Asia Pacific Flight Training Sdn Bhd (“APFTSB” or “the Defendant”) had on 10 July 2015 was served with a sealed Writ of Summon dated 2 July 2015 (“the Writ”) and Statement of Claim dated 8 August 2016 (“Statement of Claim”) from the solicitors for Muhammad Khalid (“the Plaintiff”).

2, The particulars of the claim under the Writ and Statement of Claim, including the amount claimed for and the interest rate

Pursuant to the Writ and Statement of Claim, the Plaintiff claims the following from APFTSB:-

- a) Declaration that the Defendant has wrongfully terminated the agreement entered between the Plaintiff and the Defendant on 30 October 2012 (“Agreement”) for the Defendant to conduct and provide the Plaintiff a course to obtain a Diploma in Aviation (Pilot Training) which consists of Private Pilot License (PPL), Commercial Pilot License with Instrument rating (CPL/IR), (Frozen) Airline Transport Pilot License (ATPL) and Management Studies (“the said Course”) and/or is in repudiatory breach of the Agreement;
- b) Damages in the sum of RM250,000.00 being the cost of completing the said Course with another Approved Flight Training Organisation (“Damage”);
- c) General damages to be assessed by the Honourable Court;
- iv) Statutory interest at the rate of 5% per annum on RM250,000.00 calculated from the date of the Writ to the date of full settlement of the judgement sum (“Interest on Damage”);
- v) Statutory interest at the rate of 5% per annum on such sum being general damages to be assessed by the Honourable Court calculated from the date of the Writ to the date of full settlement of the judgement sum (“Interest on General Damage”);
- vi) Alternatively, a declaration that a penalty clause and the forfeiture of RM250,000.00 be deemed unreasonable and that the Defendant refund the sum of RM235,000.00 to the Plaintiff;
- vii) Cost of the action; and
- viii) such other relief the Honourable Court may deem fit and proper.

3, Details of the default or circumstances leading to the filing of the Writ and Statement of Claim against APFTSB

The circumstances leading to the filing of the Writ and Statement of Claim against APFTSB was due to the fact the APFTSB has committed a repudiatory breach of the Agreement when it terminated the Plaintiff from the said Course on 29 December 2014. Alternatively, APFTSB allegedly wrongfully forfeited the entire fee amount of RM250,000.00 without allowing the Plaintiff to complete the said Course.

4, A confirmation as to whether APFTSB is a major subsidiary

APFTSB is a major subsidiary of APFT.

5, The cost of investment in APFTSB

The total cost of investment in APFTSB is RM25,000,000.

6, The financial and operational impact of the Writ and Statement of Claim on the Group

There is no significant financial and operational impact on the Group.

7, The expected losses, if any, arising from the Writ and Statement of Claim on the Group

Save and except for the Damage, Interest on Damage, Interest on General Damage and the legal cost in defending against the Plaintiff's Writ, the Company is not expected to incur any further losses arising from the Writ.

8, Steps taken and proposed to be taken in respect of the Writ and Statement of Claim on the Group

APFTSB is vigorously defending the matter on the basis that there were two (2) other almost identical matters successfully defended by APFTSB.

On 11 November 2016, the Court dismissed Muhammad Khalid's claim with costs of RM5,000. On 4 April 2017, Muhammad Khalid filed an originating summons for an extension of time to file a notice of appeal.

The application is fixed for hearing on 18 August 2017.

Further announcement on the development of the above matter will be made to Bursa Malaysia Securities Berhad in due course.

This announcement is dated 24 July 2017.