

APFT BERHAD (“APFT” OR “THE COMPANY”)

Type	: General Announcement
Subject	: TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	: APFT Berhad (“APFT” or “the Company”) PROPOSED DISPOSAL OF 100% EQUITY SHARES IN APFT MAINTENANCE TRAINING SDN. BHD. (“APFTMT”), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

The Board of Directors of APFT BERHAD (“APFT” or “the Company”) wishes to announce that Asia Pacific Flight Training Sdn Bhd (“APFTSB” or “the Vendor”), an indirect wholly-owned subsidiary of the Company, had 6 October 2017 entered into a Share Sale Agreement (“SSA”) with Paradigm Portfolio Sdn. Bhd. (926329-A) of 1-06, Jalan Bazaar, U8/101, Bukit Jelutong, 40150 Shah Alam, Selangor (“the Purchaser” or “PPSB”) for the disposal of 100% equity shares in APFTMT, representing 3,000,000 ordinary shares of APFTMT (“the Sale Shares”), for a total cash consideration of RM20,000.00 (“Disposal Consideration”) upon the terms and conditions stated in the SSA (“Proposed Disposal”).

Upon completion of the Proposed Disposal, APFTMT will cease to be an indirect wholly-owned subsidiary of the Company.

2. INFORMATION OF APFTMT

APFTMT, a private limited company incorporated in Malaysia with its business address at Suite 50-5-5, 5th Floor, Wisma UOA Damansara, No. 50, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur and principally involved in the business of maintenance training service for aviation industry. The existing issued and paid up capital of APFTMT is RM3,000,000 only comprising of 3,000,000 ordinary shares.

3. INFORMATION OF THE PURCHASER

PPSB, a private limited company incorporated in Malaysia and having its business address at 1-06, Jalan Bazaar, U8/101, Bukit Jelutong, 40150 Shah Alam, Selangor and principally involved in Investment Holding. The existing issued and paid up capital of PPSB is RM2.00 only comprising of 2 ordinary shares.

The Directors and Shareholders of PPSB are as follows:

i) Directors:

No.	Name of the Director
1.	MOHD ALIFF BIN KHORI
2.	MUHAMAD AIDEEB BIN KHORI

ii) Shareholders:

No	Name of the Shareholder	No. of Shares	% shareholding
1	MOHD ALIFF BIN KHORI	1	50
2.	MUHAMAD AIDEEB BIN KHORI	1	50
	Total	2	100

4. SALIENT TERM OF THE SSA

i) Disposal of the Sale Shares

The Sale Shares are to be disposed free from all charges or liens or other encumbrances and with all rights attached thereto whether now or in the future including but not limited to dividends and other distributions and/or rights declared made and paid thereafter.

Upon the compliance of the Condition Precedent and the full payment of the Disposal Consideration by PPSB to the APFTMT directly, APFTMT shall release to PPSB the following for registration (“hereinafter called “Completion Date”):

- a) the original share certificates to the Sale Shares;
- b) the valid and registrable instrument of transfer duly executed by APFTMT in favour of PPSB;
- c) the duly signed and dated resignation letter of the directors from the Board of Directors of the Company; and
- d) the original Board of Directors’ Resolution passed in accordance with the Memorandum and Articles of the Company to approve the sale of the Sale Shares from APFTMT to PPSB.

ii) Condition Precedent

The Proposed Disposal is conditional upon APFTMT obtaining the affirmative confirmation from its auditor and/or advisors in respect of the pricing of the Sale Shares to PPSB (“hereinafter referred to as “the Conditional Precedent”).

In the event the Condition Precedent cannot be fulfilled, either Party shall be entitled to terminate the SSA by notice in writing to the other Party whereupon the SSA shall be deemed null and void and be of no further effect and neither Party shall have any claim against the other hereunder.

5. RATIONALE FOR THE PROPOSED DISPOSAL

The Disposal is part of the streamlining exercise of APFT Group to divest its loss making and non-contributing subsidiary.

6. BASIS AND JUSTIFICATION FOR ARRIVING AT THE DISPOSAL CONSIDERATION

The Disposal Consideration of RM20,000 was arrived at on a willing buyer willing seller basis after taking into account the negative net worth of RM594,421.26 of APFTMT based on the latest audited report as at 31 July 2016.

7. ORIGINAL COST OF INVESTMENT

The cost of investment made by APFTSB in APFTMT are as follows:

Date	No. of shares allotted / acquired	Value per Share (RM)	Cumulative Cost of Investment (RM)
15 March 2016	3,000,000	3,000,000	3,000,000
Total	3,000,000	3,000,000	3,000,000

Based on the latest consolidated audited financial statements of APFT for the financial year ended 31 July 2016, the book value of the investment in APFTMT stood at RM3,000,000 only.

The Proposed Disposal is expected to result in a loss on disposal of approximately RM2,980,000 after taking into consideration of the book value and cumulative cost of the investment in APFTMT.

8. ASSUMPTION OF LIABILITIES

There are no liabilities, including contingent liabilities and guarantees, to be assumed by the Purchaser pursuant to the Proposed Disposal.

9. APPROVAL REQUIRED

The Proposed Disposal does not require the approval of APFT's shareholders and/or any other authorities.

10. FINANCIAL EFFECTS

The Proposed Disposal is not expected to have any material impact on the net assets per share, earnings per share and gearing of the Group for the financial year ended 30 September 2017.

11. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or the substantial shareholders of APFT and/or persons connected with the Directors and/or substantial shareholders have any interest, direct or indirect in the Proposed Disposal.

12. HIGHEST PERCENTAGE RATIO PURSUANT TO PARAGRAPH 10.02(G) OF THE MAIN MARKET LISTING REQUIREMENTS

The highest percentage ratio applicable to the Proposed Disposal is 11.6% based on the latest consolidated audited financial statements of APFT for the financial year ended 31 July 2016.

13. STATEMENT BY DIRECTORS

The Board of Directors of APFT is of the opinion that the Proposed Disposal is in the best interest of APFT Group.

14. RISK FACTORS

The Proposed Disposal is not expected to pose any risk factors which could materially and/or adversely affect the business operations and financial performance of APFT.

15. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by 15 October 2017.

16. DOCUMENTS AVAILABLE FOR INSPECTION

The SSA is available for inspection during normal business hours at the registered office of the Company at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur from Monday to Fridays (except public holidays) for a period of three (3) month from the date of this announcement.

This announcement is dated 10 November 2017.