

## **APFT BERHAD (“APFT” OR “THE COMPANY”)**

<b>Type</b>	: General Announcement
<b>Subject</b>	: OTHERS
<b>Description</b>	: APFT Berhad (“APFT” or “the Company”) PROPOSED DISPOSAL OF SHARES IN ASIA PACIFIC FLIGHT TRAINING SDN BHD

### **1. INTRODUCTION**

The Board of Directors of APFT BERHAD (“APFT” or “the Company”) wishes to announce that APFT Aviation Sdn Bhd (“APFTA” or “the Vendor”), a wholly-owned subsidiary of the Company, had on 25 April 2018 entered into a Share Sale Agreement (“SSA”) with Mohamad Farizan Bin Razali and Muhammad Syafiq Bin Ibrahim (“the Purchasers”) for the disposal of 250,000,000 equity shares in Asia Pacific Flight Training Sdn Bhd (“APFTSB”), representing 100% of the total share capital of APFTSB (“Sale Shares”), for a total consideration of RM10,000.00 (“Disposal Consideration”)(“Proposed Disposal”).

Upon completion of the Proposed Disposal, APFTSB will cease to be subsidiary of APFTA.

### **2. INFORMATION OF APFTSB**

APFTSB, a company, having its registered office at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, was incorporated in Malaysia on 13 December 2000 and principally involved in the business of flight education and training. APFTSB’s issued share capital is RM25,000,000 represented by 25,000,000 ordinary shares.

### **3. INFORMATION OF THE PURCHASERS**

Mohamad Farizan Bin Razali and Muhammad Syafiq Bin Ibrahim are both Malaysian citizens and reside in Malaysia.

### **4. SALIENT TERMS OF THE SSA**

The SSA 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 full payment of the Purchase Price by the Purchasers to the Vendor directly, the Vendor shall release to the Purchaser the following for registration:-

- a) the original share certificates to the Sale Shares;
- b) the valid and registrable instrument of transfer duly executed by the Vendor on favor of the Purchasers;
- c) the duly signed and dated resignation letter of the directors from the Board of Directors of the APFTSB; and

- d) the original Board of Directors' Resolution passed in accordance with the Memorandum and Articles of APFTSB to approve the sale of the Sale Shares from the Vendor to the Purchasers.

The Vendor hereby warrants and covenants with and undertakes to the Purchasers that:-

- a) The Vendor has the full and proper authority to enter into and perform this SSA and to sell the Sale Shares to the Purchasers.
- b) The Vendor is the legal and beneficial owner of the Sale Shares.
- c) Upon completion, there will be no pledge, lien or other encumbrance on, over or affecting the shares of the Company and there will be no agreement or arrangement to give or create any such encumbrances and no claim has been or will be made by any person entitled to any of the foregoing.
- d) The Vendor is and will be entitled to transfer the full legal and beneficial ownership of the Sale Shares to the Purchasers upon the terms of this SSA without the consent of any third party.
- e) The Vendor undertakes with the Purchasers that the current liabilities of the Company shall be borne and settled by the Vendor prior to completion save and except for the liabilities in respect of Goods and Services Tax ("GST") or owing to Royal Malaysian Customs Department by APFTSB.
- f) The Vendor agrees that all representations, warranties and undertakings herein will be fulfilled and will remain true in all respects so long as the Purchasers shall be the shareholders of APFTSB and that such representations, warranties and undertakings will not merge on the completion of sale of the Sale Shares but will subsist for so long as it is necessary to carry into effect the transactions contemplated by this SSA.

## **5. RATIONALE FOR THE PROPOSED DISPOSAL**

The Proposed 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 RM10,000 was arrived at on a willing buyer willing seller basis after taking into account of the following:-

- i) the net loss and net liabilities of APFTSB of RM16,634,218 and RM6,143,758 based on the latest audited financial statement for the financial year ended 31 July 2016; and
- ii) the unaudited net loss and net liabilities of RM30,259,000 and RM36,686,604 respectively for the financial year ended 31 January 2018.

## **7. ORIGINAL COST OF INVESTMENT**

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

<b>Date</b>	<b>No. of shares acquired</b>	<b>Cost of investment (RM)</b>
16.03.2016	25,000,000	46,194,576.75
<b>Total</b>	<b>25,000,000</b>	<b>46,194,576.75</b>

Based on the latest consolidated audited financial statements of APFTA for the financial year ended 31 January 2017 and the unaudited financial results for the financial year ended 31 January 2018, the net book value of the investment in APFTSB stood at RM Nil and RM Nil, respectively.

#### **8. EXPECTED GAINS/ LOSSES TO THE GROUP**

The Proposed Disposal is expected to result in a profit on disposal of approximately RM10,000.00 after taking into consideration of the book value and cumulative cost of the investment in APFTSB.

#### **9. ASSUMPTION OF LIABILITIES**

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

#### **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 ending 31 January 2019.

#### **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. STATEMENT BY DIRECTORS**

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

#### **13. 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.

The SSA is subject to the compliance of the timelines stipulated in the SSA and fulfilment of the Purchaser's and the APFTSB's obligations pursuant to the terms and conditions of the SSA. The Company endeavours to ensure full compliance in relation to the fulfilment of its obligations under the SSA.

**14. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by 15 July, 2018.

**15. 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 14 May 2018.