

APFT BERHAD

Company's No.: 886873-T
(Incorporated in Malaysia)

Quarterly Report on Results for the First Quarter Ended 31 March 2011 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	CURRENT YEAR TO DATE ENDED	PRECEDING YEAR CORRESPONDING PERIOD ENDED
	31.3.2011 RM'000	31.3.2010 RM'000	31.3.2011 RM'000	31.3.2010 RM'000
Operating Revenue	10,256	N/A	10,256	N/A
Cost of services	(4,715)	N/A	(4,715)	N/A
Gross profit	5,541	N/A	5,541	N/A
Other income	26	N/A	26	N/A
Administrative expenses	(1,258)	N/A	(1,258)	N/A
Marketing expenses	(213)	N/A	(213)	N/A
Other operating expenses	(2,430)	N/A	(2,430)	N/A
Finance costs	(281)	N/A	(281)	N/A
Profit before taxation	1,385	N/A	1,385	N/A
Taxation	-	N/A	-	N/A
Net profit for the period	1,385	N/A	1,385	N/A
Other Comprehensive Income	-	N/A	-	N/A
Total Comprehensive Income	1,385	N/A	1,385	N/A
Net Profit Attributable to:				
Equity holders of the Company	1,385	N/A	1,385	N/A
Total Comprehensive Income Attributable to:				
Equity holders of the Company	1,385	N/A	1,385	N/A
Earnings per share (sen)				
(a) Basic	1.00 @	N/A	1.00 @	N/A
(b) Fully diluted	N/A	N/A	N/A	N/A

Notes:

@ based on weighted average of ordinary shares issued of 138,422,222 @ RM0.20 each

N/A Not Applicable

- This is the first interim financial report of the Group announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") after the Company being listed on the Main Board on 18 March 2011, hence no comparative figures are presented.
- The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Proforma Consolidated Statements of Comprehensive Income and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 24 February 2011 and the accompanying notes attached to this interim financial report.

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Quarterly Report on Results for the First Quarter Ended 31 March 2011 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.3.2011 RM'000	AUDITED AS AT 31.12.2010 RM'000
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>	39,975	39,665
<i>Goodwill on consolidation</i>	12	12
Total non-current assets	<u>39,987</u>	<u>39,677</u>
Current assets		
<i>Inventories</i>	173	194
<i>Trade receivables</i>	14,574	12,296
<i>Other receivables</i>	3,338	4,308
<i>Cash and bank balances</i>	797	418
Total current assets	<u>18,882</u>	<u>17,216</u>
Total assets	<u>58,869</u>	<u>56,893</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
<i>Share capital</i>	31,400	27,000
<i>Share premium</i>	6,123	-
<i>Merger deficit</i>	(21,000)	(21,000)
<i>Unappropriated profit</i>	20,872	19,487
Total equity	<u>37,395</u>	<u>25,487</u>
Non-current liabilities		
<i>Borrowings</i>	9,877	11,241
<i>Hire purchase creditors</i>	48	82
Total non-current liabilities	<u>9,925</u>	<u>11,323</u>
Current liabilities		
<i>Trade payables</i>	937	1,686
<i>Other payables</i>	2,576	1,142
<i>Amount due to Director</i>	3,861	6,295
<i>Deferred income</i>	1,731	1,257
<i>Borrowings</i>	2,310	9,555
<i>Hire purchase creditors</i>	107	121
<i>Tax payables</i>	27	27
Total current liabilities	<u>11,549</u>	<u>20,083</u>
Total liabilities	<u>21,474</u>	<u>31,406</u>
Total liabilities and equity	<u>58,869</u>	<u>56,893</u>
Number of ordinary shares in issue	157,000	135,000
Net tangible assets per ordinary shares of RM0.20 each (RM)	<u>0.24</u>	<u>0.19</u>
Net assets per ordinary shares of RM0.20 each (RM)	<u>0.24</u>	<u>0.19</u>

Notes:

N/A Not Applicable

- a. The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Proforma Consolidated Statements of Financial Position and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 24 February 2011 and the accompanying notes attached to this interim financial report.

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Quarterly Report on Results for the First Quarter Ended 31 March 2011 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital	Merger	Share	Unappropriated	Total
	RM'000	Deficit	Premium	Profit	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2011	27,000	(21,000)	-	19,487	25,487
Issuance of shares	4,400	-	6,123	-	10,523
Total comprehensive income	-	-	-	1,385	1,385
Balance as at 31 March 2011	31,400	(21,000)	6,123	20,872	37,395

Note:

- This is the first interim financial report of the Group announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") after the Company being listed on the Main Board on 18 March 2011, hence no comparative figures are presented.
- The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Statements of Changes in Equity and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 24 February 2011 and the accompanying notes attached to this interim financial report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	CURRENT YEAR TO DATE 31.3.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,385	N/A
Adjustments for:		
Depreciation	788	N/A
Interest income	(1)	N/A
Interest expenses	281	N/A
Operating profit before working capital changes	2,453	-
Changes in working capital:		
Inventories	21	N/A
Receivables	(1,308)	N/A
Payables	685	N/A
Deferred income	474	N/A
Director	(2,434)	N/A
Cash used in operations	(109)	-
Interest income	1	N/A
Interest paid	(281)	N/A
Net cash used in operating activities	(389)	-
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(1,098)	N/A
Net cash used in investing activity	(1,098)	-

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	CURRENT YEAR TO DATE 31.3.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net repayment of term loans	(8,609)	N/A
Repayment of hire purchase creditors	(48)	N/A
Proceeds from issuance of shares	10,523	N/A
Net cash from financing activities	1,866	-
CASH AND CASH EQUIVALENTS		
Net increase	379	N/A
Brought forward	418	N/A
Carried forward	797	-

Notes :

N/A - Not Applicable

- This is the first interim financial report of the Group announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") after the Company being listed on the Main Board on 18 March 2011, hence no comparative figures are presented.
- The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Proforma Consolidated Cash Flow Statement and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 24 February 2011 and the accompanying notes attached to this interim financial report.

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A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 24 February 2011 and the accompanying explanatory notes attached to the interim report.

The significant accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the latest audited financial statements, except for the adoption of new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from annual financial periods beginning on or after 1 January 2011 relevant to the Group as follows:

FRSs, Amendments to FRSs and Interpretations.

FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity and associate)
Amendments to FRS 7	Improving Disclosures about Financial Instruments. Amendments relating to the fair value measurement using fair value hierarchy and disclosure of liquidity risk
Amendment to FRS 101	Presentation of Financial Statements. Amendment relating to clarification of statement of changes in equity
Amendment to FRS 134	Interim Financial Reporting. Amendment relating to significant events and transactions.

The adoption of the new / revised FRSs and its amendments does not have any material effect on the financial performance or position of the Group.

A2 Change in Accounting Policies

The significant accounting policies and method of computation adopted by the group in this interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2010.

A3 Auditor's Report

The auditor's report on the preceding audited financial statements of the Group for the financial year ended 31 December 2010 was not subject to any qualification.

A4 Seasonal or Cyclical Factor

The Group's business does not experience any material seasonality.

A5 Unusual items due to their Nature, Size or Incidence

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

Save as disclosed below, there was no issuance, cancellation, repurchases, resale nor repayment of equity securities or debt securities during the current financial quarter.

Date of allotment	Number of allotted	Par Value (RM)	Consideration	Cumulative No of Issued and Paid-up shares	Cumulative Issued and Paid-up Share Capital (RM)
16.03.2011	22,000,000	0.20	Share Issued pursuant to the Public Issue	157,000,000	31,400,000

A8 Dividend Paid / Declared

There were no dividend paid or declared by the Company since the last financial year.

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A9 Operating Segment

Operating segments are component 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, maintenance training service and non- bank remittance service as its operating segment.

Period ended 31 March 2011	Flight education and training RM'000	Maintenance training service RM'000	Non-bank remittance service RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from						
External Customers	10,252	-	4	-	-	10,256
Inter-segment revenue	-	-	-	180	(180)	-
Total Revenue	<u>10,252</u>	<u>-</u>	<u>4</u>	<u>180</u>	<u>(180)</u>	<u>10,256</u>
Profit/(Loss) before taxation	<u>3,064</u>	<u>(30)</u>	<u>(19)</u>	<u>(1,630)</u>	<u>-</u>	<u>1,385</u>
Income Tax expenses						0
Net profit for the period						<u>1,385</u>
Segmented assets	<u>55,342</u>	<u>257</u>	<u>190</u>	<u>3,080</u>	<u>-</u>	<u>58,869</u>

There is no geographical segmental information as the Group operates principally in Malaysia.

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 were no material events subsequent to the the current financial quarter ended 31 March 2011 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Company

There were no changes in the composition of the Group for the current financial quarter.

A13 Contingent liabilities

There were no contingent liabilities as at the date of this report.

A14 Capital commitments

a. Non-cancellable lease commitments of the Group as at 31 March 2011 is as follows:

	AS AT 31.03.2011 RM'000	AS AT 31.03.2010 RM'000
Current		
- within one year	597	N/A
Non-current		
- between one (1) and two (2) years	1,022	N/A
	<u>1,619</u>	<u>N/A</u>

b. Capital commitment for property, plant and equipment not provided for as at 31 March 2011 are as follows:

	AS AT 31.03.2011 RM'000	AS AT 31.03.2010 RM'000
Approved and contracted for:		
Aircraft, property, plant and equipment	3,075	N/A
	<u>3,075</u>	<u>N/A</u>

A15 Significant related party transaction

The Group had the following transactions during the current financial quarter which related parties in which certain directors of the Group have substantial financial interest:

	CURRENT FINANCIAL QUARTER 31.03.2011 RM'000	FINANCIAL PERIOD TO DATE 31.03.2011 RM'000
Rental paid to Director ⁽¹⁾	13	13
	<u>13</u>	<u>13</u>

Note :

(1) The Group commenced rental of the premises from a director in September 2009. On 22 June 2010, the director entered into a sale and purchase agreement with the Group for the disposal of the premise to the Group. As at the date of this report, the transaction is pending completion. Upon completion of the transaction, this related party transaction will cease to exist.

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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 March 2011, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM10.256 million and profit before taxation ("PBT") of RM1.385 million.

B2 Variation of results against preceding quarter

As this is the first interim financial report of the Group announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") after the Company was listed on the Main Board on 18 March 2011, no comparative figures are presented.

B3 Prospects

As disclosed in the prospectus of the Company dated 24 February 2011, the Group intends to venture into new complementary business to become one of the leading regional integrated aviation service providers through our subsidiaries named APFT Services Sdn Bhd and APFT Engineering Sdn Bhd. APFT Services Sdn Bhd will be used to provide chartered commercial flight services targeted at meeting the huge demand for unscheduled flight requirements, while through APFT Engineering Sdn Bhd, we intend to venture into the areas of Maintenance, Repair and Overhaul (MRO) service provision for aircraft and helicopter.

Besides, the Group will be expanding into the promising flight education training market in India. A MOU with GMR Hyderabad International Airport Limited (GHIAL) has been signed in October 2009 where APFT and GHIAL have expressed their intention to jointly set up a flight training academy at the Rajiv Gandhi International Airport, Shamshabad in Hyderabad, India. The Group believes that it will be able to capitalise on GHIAL's support to gain a strong foothold in India where there is a huge potential for pilot training as well as other aviation training services. The expansion into India is expected to jumpstart the Group's aim to become one of the leading regional integrated aviation service providers. As at the date of this report, the setting up of the flight training academy is still pending approval from the relevant authorities.

B4 Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

B5 Taxation

Malaysian income tax is calculated at the statutory rate of 25% of the estimated assessable profits for the financial period.

No taxation has been provided for the financial quarter and period to-date under review as a subsidiary of the Company namely Asia Pacific Flight Training Sdn Bhd (APFTSB) was granted Investment Tax Allowance under Section 27G of the Promotion of Investment Act, 1986, which allows APFTSB to deduct 100% of qualifying capital expenditure incurred for a period of 10 years from its statutory income (without 70% restriction) pursuant to Section 29H of the Promotion of Investment Act, 1986. The effective period of the Investment Tax Allowance will be from 12 January 2006 to 11 January 2016.

B6 Sales of unquoted investments and/or properties

There were no sale of unquoted investments and properties for the current quarter and current financial period to-date.

B7 Quoted securities

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

B8 a. Status of corporate proposals

Save for the MOU with GMR Hyderabad International Airport Limited as disclosed in note B3 above, there is no corporate proposal announced or not completed by the Group as at the date of this report.

b. Status of utilisation of proceeds of public issue

The Public Issue Shares of 22,000,000 new shares in conjunction with the Group's listing on the Main Market of Bursa Securities raised a total proceeds of RM11.0 million.

The status of utilisation of the proceeds is as follows:

Purpose	RM'000	%	Estimated time frame for	Actual utilisation RM'000	Explanation
Repayment of bank borrowings	8,000	72.7%	Within 12 months from the date of Listing	8,000	
Working capital	500	4.6%	Within 12 months from the date of Listing	919	(1)
Estimated listing expenses	2,500	22.7%	Within 3 months from the date of Listing	2,081	(1)
Total	11,000	100%		11,000	

Note:

(1) The Group incurred total listing expenses of RM2.081 million of which RM0.477 million was offset against share premium as these transaction costs are directly attributable to the issuance of new shares in conjunction of the initial public offering exercise. The deviation of RM0.419 million from the estimated listing expenses was utilised for working capital.

B9 Borrowings and debt securities

	AS AT 31.03.2011 RM'000	AS AT 31.12.2010 RM'000
Short term borrowings:		
Secured		
Hire purchase creditors	107	121
Term Loan	2,310	9,555
	<u>2,417</u>	<u>9,676</u>
Long term borrowings:		
Secured		
Hire purchase creditors	48	82
Term Loan	9,877	11,241
	<u>9,925</u>	<u>11,323</u>
	<u>12,342</u>	<u>20,999</u>

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B10 Off balance sheet financial instruments

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

B11 Material litigations

There are no material litigations pending at the date of this report.

B12 Dividends

No dividends have been declared in respect of the financial period under review.

B13 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 31.03.2011	PRECEDING 31.03.2010	CURRENT 31.03.2011	PRECEDING 31.03.2010
Net profit for the period (RM'000)	1,385	N/A	1,385	N/A
Weighted average number of ordinary shares in issue ('000)	138,422	N/A	138,422	N/A
Basic earnings per share (sen)	<u>1.00</u>	<u>N/A</u>	<u>1.00</u>	<u>N/A</u>

B14 Realised and Unrealised Profits/(Losses) Disclosure

	AS AT 31.03.2011 RM'000
Total retained profits of the Group and its subsidiaries	
- Realised	20,872
- Unrealised	-
Total Group Retained Profits	<u>20,872</u>

B15 Authorisation for issue

The interim financial report was duly reviewed by the Audit Committee and approved by the Board of Directors on 30 May 2011.

By Order of the Board

Mr Ng Yim Kong
Company Secretary
Date : 30 May 2011