

APFT BERHAD

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

Quarterly Report on Results for the First Quarter Ended 31 March 2012 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
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Operating revenue	5,868	10,256	5,868	10,256
Cost of services	(3,024)	(4,715)	(3,024)	(4,715)
Gross profit	2,844	5,541	2,844	5,541
Other income	30	26	30	26
Administrative expenses	(1,394)	(1,258)	(1,394)	(1,258)
Marketing expenses	(90)	(213)	(90)	(213)
Other operating expenses	(962)	(2,430) *	(962)	(2,430)
Finance costs	(241)	(281)	(241)	(281)
Profit before taxation	187	1,385	187	1,385
Taxation	(7)	-	(7)	-
Net profit for the period	180	1,385	180	1,385
Other comprehensive income	-	-	-	-
Total comprehensive income	180	1,385	180	1,385
Net profit attributable to:				
Equity holders of the Company	180	1,385	180	1,385
Total comprehensive income attributable to:				
Equity holders of the Company	180	1,385	180	1,385
Weighted average no. of ordinary shares in issue ('000)	157,000	138,422	157,000	138,422
Earnings per share (sen)				
(a) Basic	0.11	1.00	0.11	1.00

Notes:

- * Included in other operating expenses are expenses incurred pursuant to our listing on the Main Market of Bursa Malaysia Securities Berhad on 18 March 2011 ("Listing") amounting to approximately RM1.603 million, which was recognised in accordance to FRSIC Consensus 13
- a. The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.

APFT BERHAD

Company's No.: 886873-T
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Quarterly Report on Results for the First Quarter Ended 31 March 2012 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT 31.03.2012 RM'000	AUDITED AS AT 31.12.2011 RM'000
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>	45,541	45,709
<i>Goodwill on consolidation</i>	12	12
<i>Deferred Cost</i>	1,088	983
<i>Fixed Deposits</i>	507	507
Total non-current assets	<u>47,148</u>	<u>47,211</u>
Current assets		
<i>Inventories</i>	1,759	2,006
<i>Trade receivables</i>	13,521	14,724
<i>Other receivables</i>	883	988
<i>Cash and bank balances</i>	540	377
Total current assets	<u>16,703</u>	<u>18,095</u>
Total assets	<u>63,851</u>	<u>65,306</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
<i>Share capital</i>	31,400	31,400
<i>Share premium</i>	6,123	6,123
<i>Merger deficit</i>	(21,000)	(21,000)
<i>Unappropriated profit</i>	19,937	19,757
Total equity	<u>36,460</u>	<u>36,280</u>
Non-current liabilities		
<i>Borrowings</i>	11,532	11,385
<i>Hire purchase creditors</i>	631	688
Total non-current liabilities	<u>12,163</u>	<u>12,073</u>
Current liabilities		
<i>Trade payables</i>	1,741	1,824
<i>Other payables</i>	1,309	1,718
<i>Amount due to Director</i>	7,548	8,271
<i>Deferred income</i>	2,478	2,933
<i>Borrowings</i>	1,981	2,040
<i>Hire purchase creditors</i>	164	160
<i>Tax payable</i>	7	7
Total current liabilities	<u>15,228</u>	<u>16,953</u>
Total liabilities	<u>27,391</u>	<u>29,026</u>
Total liabilities and equity	<u>63,851</u>	<u>65,306</u>
Number of ordinary shares in issue	157,000	157,000
Net tangible assets per ordinary share of RM0.20 each (RM)	<u>0.23</u>	<u>0.23</u>
Net assets per ordinary share of RM0.20 each (RM)	<u>0.23</u>	<u>0.23</u>

Note:

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.

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Quarterly Report on Results for the Fourth Quarter Ended 31 December 2011 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM'000	Merger Deficit RM'000	Share Premium RM'000	Unappropriated Profit RM'000	Total RM'000
Balance as at 1 January 2012	31,400	(21,000)	6,123	19,757	36,280
Total comprehensive income	-	-	-	180	180
Balance as at 31 March 2012	<u>31,400</u>	<u>(21,000)</u>	<u>6,123</u>	<u>19,937</u>	<u>36,460</u>
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	<u>31,400</u>	<u>(21,000)</u>	<u>6,123</u>	<u>20,872</u>	<u>37,395</u>

Notes:

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 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 2012 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	CURRENT YEAR TO DATE 31.03.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	187	1,385
Adjustments for:		
Depreciation	987	788
Interest income	-	(1)
Interest expenses	241	281
Operating profit before working capital changes	1,415	2,453
Changes in working capital:		
Inventories	247	21
Receivables	1,308	(1,308)
Payables	(492)	685
Deferred income	(455)	474
Amount owing to director	(723)	(2,434)
Cash from operations	1,300	(109)
Interest income	-	1
Interest paid	(241)	(281)
Taxes paid	(7)	-
Net cash from/(used in) operating activities	1,052	(389)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(826)	(1,098)
Payment of deferred costs	(98)	-
Net cash used in investing activities	(924)	(1,098)

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(The figures have not been audited)

	CURRENT YEAR TO DATE 31.03.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2011 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of borrowings	553	-
Repayment of borrowings	(465)	(8,609)
Repayment of hire purchase creditors	(53)	(48)
Proceeds from issuance of shares	-	10,523
Net cash from financing activities	35	1,866
CASH AND CASH EQUIVALENTS		
Net increase	163	379
Brought forward	377	418
Carried forward	540	797

Notes :

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying notes attached to this interim financial report.

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A 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 year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS")

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 year ended 31 December 2011.

The Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework issued by Malaysian Accounting Standards Board (MASB) with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards (FRS) framework with the International Financial 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 January 2012. 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 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 2011 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2012.

A3 Auditor's Report

The auditor's report on the preceding audited financial statements of the Group for the financial year ended 31 December 2011 was not subject to any qualification.

A4 Seasonal or Cyclical Factor

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

A5 Unusual items affecting Financial Statement

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.

A8 Dividend Paid

There were no dividend paid 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 2012	Flight education and training	Maintenance training service	Non-bank remittance service	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from						
External Customers	5,870	-	-2	-	-	5,868
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>5,870</u>	<u>-</u>	<u>-2</u>	<u>0</u>	<u>0</u>	<u>5,868</u>
Profit/(loss) before taxation	<u>719</u>	<u>-24</u>	<u>-37</u>	<u>-471</u>	<u>-</u>	<u>187</u>
Income tax expenses						-7
Net profit for the period						<u><u>180</u></u>
Segmented assets	<u><u>60,720</u></u>	<u><u>53</u></u>	<u><u>232</u></u>	<u><u>2,846</u></u>	<u><u>-</u></u>	<u><u>63,851</u></u>

Notes:

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 current financial quarter ended 31 March 2012 up to the latest practical date of 24 May 2012 which is likely to substantially affect the results of the operations of the Group except for the subscription of share of Asia Pacific Flight Training Academy Limited by the Company wholly owned subsidiary, Asia Pacific Flight Training Sdn Bhd on 23rd May 2012 as disclosed in note B3 below.

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 latest practical date of 24 May 2012.

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A14 Capital commitments

- a. Non-cancellable lease commitments of the Group as at 31 March 2012 are as follows:

	AS AT 31.03.2012 RM'000	AS AT 31.03.2011 RM'000
Current		
- within one year	738	597
Non-current		
- between one (1) and two (2) years	264	1,022
	1,002	1,619

- b. Capital commitment for property, plant and equipment not provided for as at 31 March 2012 are as follows:

	AS AT 31.03.2012 RM'000	AS AT 31.03.2011 RM'000
Approved and contracted for:		
Aircraft, property, plant and equipment	204	3,075
	204	3,075

A15 Significant related party transaction

The Group has no significant related party transaction for the current financial quarter under review.

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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 2012, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM5.868 million and profit before taxation ("PBT") of RM0.180 million as compared to RM10.256 million and RM1.385 million in the preceding year corresponding period ended 31 March 2011 respectively. The decrease in revenue by RM4.388 million (42.78%) for the current financial quarter under review as compared to the preceding year corresponding quarter was mainly due to reduced intake of students for our flight training and education business and deferred intakes of student experienced by the Group in the previous financial year. The decrease in profit before tax of RM1.205 million (87.0%) was mainly due to the decrease in revenue.

B2 Variation of results against preceding quarter

The Group registered a revenue of RM5.868 million for the current quarter under review representing an increase of RM2.169 million or 58.64% from the RM3.699 million in the preceding quarter. The Group's profit before tax was RM0.180 million for the current quarter under review as compared to loss before tax of RM1.452 million in the preceding quarter.

The increase in revenue registered in the current quarter was mainly due to normalisation of the Group intake of student for our flight training and education business. The increase in profit before tax by RM1.632 million recorded in the current quarter was mainly due to the increase in revenue.

B3 Prospects

As disclosed in the prospectus of the Company dated 24 February 2011, the Group is venturing into new complementary businesses to become one of the leading regional integrated aviation service providers through our subsidiaries namely APFT Services Sdn Bhd, APFT Engineering Sdn Bhd and APFT Maintenance Training Sdn Bhd. APFT Services Sdn Bhd will be providing chartered commercial flight services to meet demand for unscheduled flight requirements. DCA Malaysia has audited our facilities and are in the process of issuing the Air Operator Certificate. APFT Engineering Sdn Bhd will venture into Maintenance, Repair and Overhaul (MRO) service provision for general aviation. We are obtaining the approval from DCA, Malaysia for the maintenance of third party aircraft.

On 7 June 2011, the Department of Civil Aviation of India issued a certificate of No Objection in principle, to the APFT-GHIAL JV to set up a flight training academy at the Rajiv Gandhi International Airport, Shamshabad, Hyderabad, India. This is the progress from the MOU and JV agreement signed in October 2009 and February 2011 respectively. Asia Pacific Flight Training Sdn Bhd (wholly owned subsidiary of the Company) have on 23 May 2012 subscribed for 3,000,000 share in Asia Pacific Flight Training Academy Limited (APFTAL) (the joint venture vehicle) which represent 60% of the enlarged paid up capital of APFTAL. The Group plans to commence operations in mid 2012.

Our charter services under APFT Services Sdn Bhd was estimated to start in June 2011 as stated in the prospectus but due to delay in approval of the Air Operating License (AOC), we now will be starting operations in the second quarter of 2012.

Asia Pacific Flight Training Sdn Bhd have signed a 5-year training agreement with CAE Inc. on 3 May 2012 to train AirAsia cadets.

Moving forward, the Board remains positive on the overall results of the Group for 2012.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Income tax				
Estimated tax payable for current period	7	-	7	-
	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>

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

The tax provided for the financial year to-date under review is lower than the statutory rate 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 the 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 Tax Allowance will be from 12 January 2006 to 11 January 2016.

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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 Status of corporate proposals

Save for the MOU and JV agreement 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 latest practical date of 24 May 2012.

B9 Borrowings and debt securities

	AS AT 31.03.2012 RM'000	AS AT 31.03.2011 RM'000
Short term borrowings:		
Secured		
Hire purchase creditors	164	107
Term loans	1,981	2,310
	2,145	2,417
Long term borrowings:		
Secured		
Hire purchase creditors	631	48
Term loans	11,532	9,877
	12,163	9,925
	14,308	12,342

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the latest practical date of 24 May 2012.

B11 Material litigations

There are no material litigations pending at the latest practical date of 24 May 2012.

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 31.03.2012	PRECEDING 31.03.2011	CURRENT 31.03.2012	PRECEDING 31.03.2011
Net profit for the period (RM'000)	180	1,385	180	1,385
Weighted average number of ordinary shares in issue ('000)	157,000	138,422	157,000	138,422
Basic earnings per share (sen)	0.11	1.00	0.11	1.00

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B14 Realised and Unrealised Profits Disclosure

	AS AT 31.03.2012	AS AT 31.12.2011 (Audited)
	RM'000	RM'000
Total unappropriated profits of the Group and its subsidiaries		
- Realised	19,876	19,696
- Unrealised	-	-
Total Group Unappropriated Profits	<u>19,876</u>	<u>19,696</u>
Consolidation adjustment	61	61
Total Group Unappropriated Profits	<u><u>19,937</u></u>	<u><u>19,757</u></u>

B15 Authorisation for issue

The interim financial report was duly reviewed by the Audit Committee and approved by the Board of Directors on 29 May 2012.

By Order of the Board

Mr Ng Yim Kong
Company Secretary
Date : 29 May 2012