

APFT BERHAD

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

Quarterly Report on Results for the Third Quarter Ended 30 September 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
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Operating revenue	3,843	8,498	16,859	27,863
Cost of services	<u>(3,843)</u>	<u>(5,645)</u>	<u>(10,819)</u>	<u>(16,280)</u>
Gross profit	-	2,853	6,040	11,583
Other income	31	241	114	293
Administrative expenses	(2,038)	(1,600)	(5,136)	(4,466)
Marketing expenses	(84)	(79)	(263)	(437)
Other operating expenses	(983)	(971)	(2,911)	(4,366)
Finance costs	<u>(383)</u>	<u>(332)</u>	<u>(909)</u>	<u>(889)</u>
(Loss)/Profit before taxation	(3,457)	112	(3,065)	1,718
Taxation	<u>(1)</u>	<u>(5)</u>	<u>(13)</u>	<u>(5)</u>
Net (loss)/profit for the period	<u>(3,458)</u>	<u>107</u>	<u>(3,078)</u>	<u>1,713</u>
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income	<u>(3,458)</u>	<u>107</u>	<u>(3,078)</u>	<u>1,713</u>
Net (loss)/profit attributable to:				
Equity holders of the Company	<u>(3,458)</u>	<u>107</u>	<u>(3,078)</u>	<u>1,713</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	<u>(3,458)</u>	<u>107</u>	<u>(3,078)</u>	<u>1,713</u>
Weighted average no. of ordinary shares in issue ('000)	157,000	157,000	157,000	150,875
(Loss)/Earnings per share (sen)				
(a) Basic	(2.20)	0.07	(1.96)	1.14

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
(Incorporated in Malaysia)

Quarterly Report on Results for the Third Quarter Ended 30 September 2012 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT 30.09.2012 RM'000	AUDITED AS AT 31.12.2011 RM'000
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>	43,854	45,709
<i>Goodwill on consolidation</i>	20	12
<i>Deferred Cost</i>	1,194	983
<i>Fixed Deposits</i>	507	507
Total non-current assets	<u>45,575</u>	<u>47,211</u>
Current assets		
<i>Inventories</i>	1,537	2,006
<i>Trade receivables</i>	9,973	14,724
<i>Other receivables</i>	3,592	988
<i>Cash and bank balances</i>	521	377
Total current assets	<u>15,623</u>	<u>18,095</u>
Total assets	<u>61,198</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>	16,679	19,757
Total equity	<u>33,202</u>	<u>36,280</u>
Non-current liabilities		
<i>Borrowings</i>	10,505	11,385
<i>Hire purchase creditors</i>	694	688
Total non-current liabilities	<u>11,199</u>	<u>12,073</u>
Current liabilities		
<i>Trade payables</i>	2,087	1,824
<i>Other payables</i>	1,882	1,718
<i>Amount due to Director</i>	6,269	8,271
<i>Deferred income</i>	1,601	2,933
<i>Borrowings</i>	2,059	2,040
<i>Hire purchase creditors</i>	210	160
<i>Tax payable</i>	7	7
<i>Bank overdraft</i>	2,682	-
Total current liabilities	<u>16,797</u>	<u>16,953</u>
Total liabilities	<u>27,996</u>	<u>29,026</u>
Total liabilities and equity	<u>61,198</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>0.21</u>	<u>0.23</u>
Net assets per ordinary share of RM0.20 each (RM)	<u>0.21</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 Third Quarter Ended 30 September 2012 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	-	-	-	(3,078)	(3,078)
Balance as at 30 September 2012	<u>31,400</u>	<u>(21,000)</u>	<u>6,123</u>	<u>16,679</u>	<u>33,202</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	-	-	-	1,713	1,713
Balance as at 30 September 2011	<u>31,400</u>	<u>(21,000)</u>	<u>6,123</u>	<u>21,200</u>	<u>37,723</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 Third Quarter Ended 30 September 2012 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	CURRENT YEAR TO DATE 30.09.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(3,065)	1,713
Adjustments for:		
Depreciation	3,007	2,738
Interest income	-	(1)
Interest expenses	839	889
Gain on disposal of property, plant and equipment	(21)	-
Operating profit before working capital changes	760	5,339
Changes in working capital:		
Inventories	469	(1,216)
Receivables	3,845	(8,843)
Payables	427	654
Deferred income	(1,332)	1,416
Amount owing to director	(2,002)	3,342
Cash from operations	2,167	692
Interest income	-	1
Interest paid	(839)	(889)
Taxes paid	(13)	(20)
Net cash from operating activities	1,315	(216)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,115)	(2,710)
Payment of deferred costs	(210)	-
Proceeds from disposal of property, plant and equipment	1,174	-
Deposit paid for subscription of share in subsidiary	(1,698)	-
Net cash used in investing activities	(2,849)	(2,710)

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Quarterly Report on Results for the Third Quarter Ended 30 September 2012 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	CURRENT YEAR TO DATE 30.09.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2011 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of borrowings	553	2,447
Repayment of borrowings	(1,413)	(9,948)
Repayment of hire purchase creditors	(144)	(57)
Proceeds from issuance of shares	-	10,523
Net cash (used in)/from financing activities	(1,004)	2,965
CASH AND CASH EQUIVALENTS		
Net (decrease)/increase	(2,538)	39
Brought forward	377	418
Carried forward	(2,161)	457

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 30 September 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	16,859	-	-	-	-	16,859
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>16,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,859</u>
Profit/(loss) before taxation	<u>-1,187</u>	<u>-301</u>	<u>-116</u>	<u>-1,461</u>	<u>-</u>	<u>-3,065</u>
Income tax expenses						-13
Net profit for the period						<u>-3,078</u>
Segmented assets	<u>57,339</u>	<u>50</u>	<u>262</u>	<u>3,547</u>	<u>-</u>	<u>61,198</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 30 September 2012 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

On 21 September 2012, Asia Pacific Flight Training Sdn Bhd ("APFTSB"), a wholly owned subsidiary of the Company, acquired two (2) ordinary share of RM1.00 each in Jet Flight Support Sdn Bhd ("Jet Flight") representing 100% of equity interest in Jet Flight for a total cash consideration of RM2.00 only. Subsequently, APFTSB had on 8 October 2012 subscribed for 1,999,998 new ordinary shares of RM1.00 each in Jet Flight. As such Jet Flight has increased its paid up capital from RM2.00 to RM2,000,000. On 21 November 2012, Jet Flight has changed its name from Jet Flight Support Sdn Bhd to APFT Assets Sdn Bhd.

Save as disclosed above, there were no changes in the composition of the Group during the current quarter under review.

A13 Contingent liabilities

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

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A14 Capital commitments

- a. Non-cancellable lease commitments of the Group as at 30 September 2012 are as follows:

	AS AT 30.09.2012 RM'000	AS AT 30.09.2011 RM'000
Current		
- within one year	454	1,171
Non-current		
- between one (1) and two (2) years	37	491
	<u>491</u>	<u>1,662</u>

- b. Capital commitment for property, plant and equipment not provided for as at 30 September 2012 are as follows:

	AS AT 30.09.2012 RM'000	AS AT 30.09.2011 RM'000
Approved and contracted for:		
Aircraft, property, plant and equipment	<u>3,540</u>	<u>621</u>

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 30 September 2012, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM3.843 million and loss before taxation ("LBT") of RM3.457 million as compared to RM8.498 million and profit before taxation ("PBT") of RM0.112 million in the preceding year corresponding period ended 30 September 2011 respectively. The decrease in revenue by RM4.655 million (54.78%) 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. The decrease in profit before tax of RM3.569 million was mainly due to the decrease in revenue.

For the nine months ended 30 September 2012, APFT Group generated revenue of RM16.859 million and LBT of RM3.065 million as compared to RM27.863 million and PBT of RM1.718 million in the preceding year corresponding nine months ended 30 September 2011 respectively. The decrease in revenue by RM11.004 million resulted from reduced intake of students for our flight training and education business in the second half of previous financial year and a slow down of intake of student during the current financial quarter. The decrease in profit before tax of RM4.783 million was mainly due to the decrease in revenue.

B2 Variation of results against preceding quarter

The Group registered a revenue of RM3.843 million for the current quarter under review representing a decrease of RM3.306 million or 46.24% from the RM7.149 million in the preceding quarter. The Group's loss before tax was RM3.457 million for the current quarter under review as compared to profit before tax of RM0.207 million in the preceding quarter.

The decrease in revenue registered in the current quarter was mainly due to reduction of the Group intake of student for our flight training and education business. The decrease in profit before tax by RM3.664 million recorded in the current quarter was mainly due to the decrease in revenue and increase in operating cost such as spare parts for aircraft and aviation fuel.

B3 Prospects

The slow down in the recruitment of aircraft pilots by the major airlines affected our flight training intake. To mitigate this effect the Group looked towards future trends and with the start of the MPL program with CAE of Canada has captured a new market from the traditional one. The program that was signed in the last quarter has now started and this will contribute to the fourth quarter results.

Another area which the Group identified as a significant contributor to the revenue is the helicopter pilot training program. The Academy, being the only academy licensed to train helicopter pilot in the country has been awarded a contract to train the Bomba helicopter cadet pilots. There are also prospects of getting other agencies to send their cadets for helicopter training with the academy.

The Group's subsidiary APFT Services has been awarded the Air Operator Certificate by the DCA and can now start operating charter services.

The engineering school APFT Maintenance Training Academy has been approved as an accredited training centre by the Human Resource Department and has now started training ground handling courses and the foundation in aircraft maintenance course.

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.

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B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Income tax				
Estimated tax payable for current period	1	5	13	5
Under/(Over) provision in prior year	-	-	-	-
	1	5	13	5

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.

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 acquisitions or disposals of quoted securities for the current quarter and current financial period to-date.

B8 Status of corporate proposals

Except for the JV agreement with GMR Hyderabad International Airport Limited, there is no corporate proposal announced or not completed by the Group as at the date of this report.

B9 Borrowings and debt securities

	AS AT 30.09.2012 RM'000	AS AT 30.09.2011 RM'000
Short term borrowings:		
Secured		
Hire purchase creditors	210	53
Term loans	2,059	1,934
Bank Overdraft	2,682	-
	4,951	1,987
Long term borrowings:		
Secured		
Hire purchase creditors	694	92
Term loans	10,505	11,361
	11,199	11,453
	16,150	13,440

B10 Off balance sheet financial instruments

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

B11 Material litigations

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

B12 Dividends

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

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B13 (Loss)/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 30.09.2012	PRECEDING 30.09.2011	CURRENT 30.09.2012	PRECEDING 30.09.2011
Net (loss)/profit for the period (RM'000)	(3,458)	107	(3,078)	1,713
Weighted average number of ordinary shares in issue ('000)	157,000	157,000	157,000	150,875
Basic (loss)/earnings per share (sen)	<u>(2.20)</u>	<u>0.07</u>	<u>(1.96)</u>	<u>1.14</u>

B14 Realised and Unrealised Profits Disclosure

	AS AT 30.09.2012	AS AT 31.12.2011 (Audited)
	RM'000	RM'000
Total unappropriated profits of the Group and its subsidiaries		
- Realised	16,618	19,696
- Unrealised	-	-
Total Group Unappropriated Profits	<u>16,618</u>	<u>19,696</u>
Consolidation adjustment	61	61
Total Group Unappropriated Profits	<u>16,679</u>	<u>19,757</u>

B15 Authorisation for issue

This interim financial report was duly reviewed by the Audit Committee and approved by the Board of Directors on 26 November 2012.

By Order of the Board

Mr Ng Yim Kong
Company Secretary
Date : 26 November 2012