

APFT BERHAD

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

Quarterly Report on Results for the First Quarter Ended 31 March 2013 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
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Operating revenue	5,180	5,868	5,180	5,868
Cost of services	<u>(3,802)</u>	<u>(3,024)</u>	<u>(3,802)</u>	<u>(3,024)</u>
Gross profit	1,378	2,844	1,378	2,844
Other income	33	30	33	30
Administrative expenses	(2,200)	(1,394)	(2,200)	(1,394)
Marketing expenses	(134)	(90)	(134)	(90)
Other operating expenses	(1,032)	(962)	(1,032)	(962)
Finance costs	<u>(593)</u>	<u>(241)</u>	<u>(593)</u>	<u>(241)</u>
(Loss)/Profit before taxation	(2,548)	187	(2,548)	187
Taxation	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Net (loss)/profit for the period	<u>(2,548)</u>	<u>180</u>	<u>(2,548)</u>	<u>180</u>
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income	<u>(2,548)</u>	<u>180</u>	<u>(2,548)</u>	<u>180</u>
Net (loss)/profit attributable to:				
Equity holders of the Company	<u>(2,548)</u>	<u>180</u>	<u>(2,548)</u>	<u>180</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	<u>(2,548)</u>	<u>180</u>	<u>(2,548)</u>	<u>180</u>
Weighted average no. of ordinary shares in issue ('000)	157,000	157,000	157,000	157,000
(Loss)/Earnings per share (sen)				
(a) Basic	(1.62)	0.11	(1.62)	0.11

Notes:

- 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 2012 and the accompanying notes attached to this interim financial report.

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Company's No.: 886873-T
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Quarterly Report on Results for the First Quarter Ended 31 March 2013 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.03.2013	31.12.2012
	RM'000	RM'000
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>	43,495	43,870
<i>Goodwill on consolidation</i>	20	20
<i>Deferred Cost</i>	1,178	1,178
<i>Fixed Deposits</i>	542	507
<i>Other Investment - Instrument unquoted</i>	1,698	1,698
Total non-current assets	<u>46,933</u>	<u>47,273</u>
Current assets		
<i>Inventories</i>	1,494	1,704
<i>Trade receivables</i>	9,841	10,330
<i>Other receivables</i>	3,070	1,500
<i>Cash and bank balances</i>	298	546
Total current assets	<u>14,703</u>	<u>14,080</u>
Total assets	<u>61,636</u>	<u>61,353</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>	12,336	14,884
Total equity	<u>28,859</u>	<u>31,407</u>
Non-current liabilities		
<i>Borrowings</i>	9,819	10,186
<i>Hire purchase creditors</i>	1,529	1,659
Total non-current liabilities	<u>11,348</u>	<u>11,845</u>
Current liabilities		
<i>Trade payables</i>	2,491	1,824
<i>Other payables</i>	2,777	2,236
<i>Amount due to Director</i>	7,223	6,969
<i>Deferred income</i>	1,947	1,742
<i>Borrowings</i>	2,042	2,394
<i>Hire purchase creditors</i>	443	430
<i>Tax payable</i>	7	7
<i>Bank overdraft</i>	4,499	2,499
Total current liabilities	<u>21,429</u>	<u>18,101</u>
Total liabilities	<u>32,777</u>	<u>29,946</u>
Total liabilities and equity	<u>61,636</u>	<u>61,353</u>
Number of ordinary shares in issue	157,000	157,000
Net tangible assets per ordinary share of RM0.20 each (RM)	<u>0.18</u>	<u>0.20</u>
Net assets per ordinary share of RM0.20 each (RM)	<u>0.18</u>	<u>0.20</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 2012 and the accompanying notes attached to this interim financial report.

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(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 2013	31,400	(21,000)	6,123	14,884	31,407
Total comprehensive loss	-	-	-	(2,548)	(2,548)
Balance as at 31 March 2013	<u>31,400</u>	<u>(21,000)</u>	<u>6,123</u>	<u>12,336</u>	<u>28,859</u>
Balance as at 1 January 2012	31,400	(21,000)	6,123	19,487	36,010
Total comprehensive income	-	-	-	1,385	1,385
Balance as at 31 March 2012	<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 2012 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 2013 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	CURRENT YEAR TO DATE 31.03.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(2,548)	187
Adjustments for:		
Depreciation	1,045	987
Interest income	-	-
Interest expenses	593	241
Gain on disposal of property, plant and equipment	-	-
Allowance for doubtful debts	-	-
Bad debts recovered	-	-
Operating (loss)/profit before working capital changes	(910)	1,415
Changes in working capital:		
Inventories	210	247
Receivables	(1,081)	1,308
Payables	1,208	(492)
Deferred income	205	(455)
Amount owing to director	254	(723)
Cash (used in)/from operations	(114)	1,300
Interest income	-	-
Interest paid	(593)	(241)
Taxes paid	-	(7)
Net cash (used in) / from operating activities	(707)	1,052
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(671)	(826)
Payment of deferred costs	-	(98)
Proceeds from disposal of property, plant and equipment	-	-
Acquisition of other investment	-	-
Placement of fixed deposit	(34)	-
Net cash used in investing activities	(705)	(924)

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(The figures have not been audited)

	CURRENT YEAR TO DATE 31.03.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2012 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of borrowings	-	553
Repayment of borrowings	(721)	(465)
Repayment of hire purchase creditors	(116)	(53)
Proceeds from issuance of shares	-	-
Net cash (used in)/from financing activities	(837)	35
CASH AND CASH EQUIVALENTS		
Net (decrease)/increase	(2,249)	163
Brought forward	(1,952)	377
Carried forward	(4,201)	540

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 2012 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 2012. 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 2012.

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 2012 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2013.

A3 Auditor's Report

The auditor's report on the preceding audited financial statements of the Group for the financial year ended 31 December 2012 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 2013	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	5,041	111	2	26	-	5,180
Inter-segment revenue	-	-	-	306	(306)	-
Total revenue	<u>5,041</u>	<u>-</u>	<u>2</u>	<u>306</u>	<u>(306)</u>	<u>5,180</u>
Profit/(loss) before taxation	<u>-2,191</u>	<u>-35</u>	<u>-45</u>	<u>-277</u>	<u>-</u>	<u>-2,548</u>
Income tax expenses						0
Net loss for the period						<u><u>-2,548</u></u>
Segmented assets	<u>57,075</u>	<u>934</u>	<u>120</u>	<u>3,507</u>	<u>-</u>	<u>61,636</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 2013 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 8 May 2013, the Company, acquired two million six hundred thousand (2,600,000) ordinary shares of RM1.00 each in Metro Money Exchange ("MMESB") representing 20% of equity interest in MMESB for a total cash consideration of RM4,134,000 only.

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 31 March 2013 are as follows:

	AS AT 31.03.2013 RM'000	AS AT 31.03.2012 RM'000
Current		
- within one year	560	738
Non-current		
- between one (1) and two (2) years	311	264
	<u>871</u>	<u>1,002</u>

- b. Capital commitment for property, plant and equipment not provided for as at 31 March 2013 are as follows:

	AS AT 31.03.2013 RM'000	AS AT 31.03.2012 RM'000
Approved and contracted for:		
Aircraft, property, plant and equipment	<u>2,625</u>	<u>204</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 31 March 2013, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM5.180 million and loss before taxation ("LBT") of RM2.548 million as compared to RM5.868 million and profit before taxation ("PBT") of RM0.187 million in the preceding year corresponding period ended 31 March 2012 respectively. The decrease in revenue by RM0.680 million (11.59%) for the current financial quarter under review as compared to the preceding year corresponding quarter was mainly due to decreased intake of students for our flight training and education business in quarter under review. The increase in loss before tax of RM2.735 million was mainly due to decrease in revenue and increase in cost of services such as fuel and parts.

B2 Variation of results against preceding quarter

The Group registered a revenue of RM5.180 million for the current quarter under review representing a decrease of RM0.381 million or 6.85% from the RM5.561 million in the preceding quarter. The Group's loss before tax was RM2.548 million for the current quarter under review as compared to loss before tax of RM1.795 million in the preceding quarter.

The increase in loss by RM0.753 million compared to the decrease in revenue by RM0.381 was mainly due to increase in cost of services such as fuel, parts and staff cost.

B3 Prospects

The Group became the only Authorised Flight Training Organisation (AFTO) licensed by the Department of Civil Aviation (DCA) Malaysia to conduct training for helicopter pilots, which we have identified could potentially contribute significantly to our future revenues and earnings base. The Group has been awarded a contract to train cadet pilots of the Malaysian Fire and Rescue Department ("Bomba"). It is currently training two batches of Bomba trainees and the agency has indicated they would continue to send more students to our academy once the current cohort graduates. Due to the recent closure of ITNS, a helicopter school in Ipoh, we are seeing enquiries from their existing trainee cadet base to transfer to our academy.

Increased activity in offshore work in the oil and gas industry in Malaysia provides excellent opportunity for the Group to offer trained pilots for leading providers of helicopter charter services such as Solaire Sdn Bhd, Westar Aviation Services and MHS Aviation Berhad who have reported shortage of pilots for their current operations and are looking to expand their charter services for this sector. To account for this expected increase in this business, the Group has placed orders for two new helicopters, Robinson R44 and R66 from the Robinson Helicopter Company, effectively confirming our commitment to expand the capacity of this business. The helicopters are expected to be delivered by Q2 2013. The Group will also be establishing a new helicopter center in Ipoh, for which we are awaiting approval from Malaysia Airport Berhad.

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B3 Prospects (Continue)

Secondly, the Group intends to see through its plans and efforts to expand its revenue and earnings footprint regionally beginning with India and Indonesia. In India, after an unfortunate year of delays in getting all the necessary approvals to be operational in Hyderabad, it expects to begin operations by Q3 2013. The Group, in partnership with GMR Hyderabad International Airport Ltd, will be operating a flight school there to take advantage of the significant demand and shortage of pilots in India. In Indonesia, the Group is in advanced discussions with one of the local airline operators to form a joint venture to be the first Malaysian flight academy operator to set up in that country. Like India, Indonesia is also experiencing significant demand and shortage of pilots and is projected to grow even more in the coming years ahead.

Thirdly, given that the Group has been awarded the Air Operator Certificate by the DCA, it is in discussions with some interested parties to start operating charter services. It hopes to move to advance discussions and will announce when appropriate the full details of this plan.

Finally, one of the Group's subsidiary companies, the engineering school APFT Maintenance Training Sdn Bhd 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. With these five strategic initiatives and developments, the Group is optimistic that the prospects for improvements on the revenues and earnings front in the coming years ahead look promising.

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	
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Income tax				
Estimated tax payable for current period	-	7	-	7
Under/(Over) provision in prior year	-	-	-	-
	-	7	-	7

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 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.

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B8 Status of corporate proposals

Save for the JV agreement with GMR Hyderabad International Airport Limited which is pending approval from the relevant authority to commence operation, 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 31.03.2013 RM'000	AS AT 31.03.2012 RM'000
Short term borrowings:		
Secured	443	164
Hire purchase creditors	2,042	1,981
Term loans	2,485	2,145
Long term borrowings:		
Secured	1,529	631
Hire purchase creditors	9,819	11,532
Term loans	11,348	12,163
	13,833	14,308

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.

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 CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING 31.03.2012	CUMULATIVE QUARTER CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2012
Net (loss)/profit for the period (RM'000)	(2,548)	180	(2,548)	180
Number of ordinary shares in issue ('000)	157,000	157,000	157,000	157,000
Basic (loss)/earnings per share (sen)	(1.62)	0.11	(1.62)	0.11

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B14 Realised and Unrealised Profits Disclosure

	AS AT 31.03.2013	AS AT 31.03.2012
	RM'000	RM'000
Total unappropriated profits of the Group and its subsidiaries		
- Realised	12,270	19,876
- Unrealised	-	-
Total Group Unappropriated Profits	<u>12,270</u>	<u>19,876</u>
Consolidation adjustment	66	61
Total Group Unappropriated Profits	<u><u>12,336</u></u>	<u><u>19,937</u></u>

B15 Authorisation for issue

This interim financial report was duly reviewed by the Audit Committee and approved by the Board of Directors on 23 May 2013.

By Order of the Board

Ng Yim Kong
Company Secretary
Date : 23 May 2013