

# APFT BERHAD

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

## Quarterly Report on Results for the Second Quarter Ended 30 June 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
	30.6.2011 RM'000	30.6.2010 RM'000	30.6.2011 RM'000	30.6.2010 RM'000
Operating Revenue	9,109	N/A	19,365	N/A
Cost of services	(5,920)	N/A	(10,635)	N/A
<b>Gross profit</b>	3,189	N/A	8,730	N/A
Other income	26	N/A	52	N/A
Administrative expenses	(1,609)	N/A	(2,867)	N/A
Marketing expenses	(145)	N/A	(358)	N/A
Other operating expenses	(964)	N/A	(3,394) *	N/A
Finance costs	(276)	N/A	(557)	N/A
<b>Profit before taxation</b>	221	N/A	1,606	N/A
Taxation	-	N/A	-	N/A
<b>Net profit for the period</b>	221	N/A	1,606	N/A
Other Comprehensive Income	-	N/A	-	N/A
<b>Total Comprehensive Income</b>	221	N/A	1,606	N/A
<b>Net Profit Attributable to:</b>				
Equity holders of the Company	221	N/A	1,606	N/A
<b>Total Comprehensive Income Attributable to:</b>				
Equity holders of the Company	221	N/A	1,606	N/A
Weighted average no. of ordinary shares in issue ('000)	157,000	N/A	147,762	N/A
<b>Earnings per share (sen)</b>				
(a) Basic	0.14	N/A	1.09	N/A

Notes:

N/A Not Applicable

\* 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. This is the second 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.

b. 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.

# APFT BERHAD

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

## Quarterly Report on Results for the Second Quarter Ended 30 June 2011 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.6.2011	31.12.2010
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Property, plant and equipment</i>	40,059	39,665
<i>Goodwill on consolidation</i>	12	12
<b>Total non-current assets</b>	<u>40,071</u>	<u>39,677</u>
<b>Current assets</b>		
<i>Inventories</i>	125	194
<i>Trade receivables</i>	16,304	12,296
<i>Other receivables</i>	5,367	4,308
<i>Cash and bank balances</i>	544	418
<b>Total current assets</b>	<u>22,340</u>	<u>17,216</u>
<b>Total assets</b>	<u>62,411</u>	<u>56,893</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
<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>	21,093	19,487
<b>Total equity</b>	<u>37,616</u>	<u>25,487</u>
<b>Non-current liabilities</b>		
<i>Borrowings</i>	8,455	11,241
<i>Hire purchase creditors</i>	68	82
<b>Total non-current liabilities</b>	<u>8,523</u>	<u>11,323</u>
<b>Current liabilities</b>		
<i>Trade payables</i>	1,290	1,686
<i>Other payables</i>	2,942	1,142
<i>Amount due to Director</i>	7,174	6,295
<i>Deferred income</i>	1,859	1,257
<i>Borrowings</i>	2,870	9,555
<i>Hire purchase creditors</i>	110	121
<i>Tax payables</i>	27	27
<b>Total current liabilities</b>	<u>16,272</u>	<u>20,083</u>
<b>Total liabilities</b>	<u>24,795</u>	<u>31,406</u>
<b>Total liabilities and equity</b>	<u>62,411</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>

Note:

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.

# APFT BERHAD

Company's No.: 886873-T

(Incorporated in Malaysia)

## Quarterly Report on Results for the Second Quarter Ended 30 Jun 2011 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital	Merger Deficit	Share Premium	Unappropriated Profit	Total
	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	-	-	-	1,606	1,606
<b>Balance as at 30 June 2011</b>	<b>31,400</b>	<b>(21,000)</b>	<b>6,123</b>	<b>21,093</b>	<b>37,616</b>

### Notes:

- This is the second 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.

# APFT BERHAD

Company's No.: 886873-T

(Incorporated in Malaysia)

## Quarterly Report on Results for the Second Quarter Ended 30 June 2011 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING
	30.6.2011	30.6.2010
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,606	N/A
Adjustments for:		
Depreciation	1,787	N/A
Interest income	(1)	N/A
Interest expenses	557	N/A
Operating profit before working capital changes	3,949	-
Changes in working capital:		
Inventories	69	N/A
Receivables	(5,067)	N/A
Payables	1,404	N/A
Deferred income	602	N/A
Director	879	N/A
Cash from operations	1,836	-
Interest income	1	N/A
Interest paid	(557)	N/A
<b>Net cash from operating activities</b>	<b>1,280</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(2,181)	N/A
<b>Net cash used in investing activity</b>	<b>(2,181)</b>	<b>-</b>

# APFT BERHAD

Company's No.: 886873-T

(Incorporated in Malaysia)

## Quarterly Report on Results for the Second Quarter Ended 30 June 2011 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.6.2011	30.6.2010
	RM'000	RM'000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net repayment of term loans	(9,471)	N/A
Repayment of hire purchase creditors	(25)	N/A
Proceeds from issuance of shares	10,523	N/A
<b>Net cash from financing activities</b>	<b>1,027</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase	126	N/A
Brought forward	418	N/A
<b>Carried forward</b>	<b>544</b>	<b>-</b>

Notes :

N/A Not Applicable

- a. This is the second 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.
- b. 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.

**APFT BERHAD**  
**Company's No.: 886873-T**  
(Incorporated in Malaysia)  
**Quarterly Report on Results for the Second Quarter Ended 30 June 2011**  
**NOTES**

**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 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**

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	157,000,000	31,400,000

**APFT BERHAD**  
**Company's No.: 886873-T**  
(Incorporated in Malaysia)  
**Quarterly Report on Results for the Second Quarter Ended 30 June 2011**  
**NOTES**

**A8 Dividend Paid / Declared**

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

**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 June 2011	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
<b>Revenue from</b>						
External Customers	19,359	-	6	-	-	19,365
Inter-segment revenue	-	-	-	360	(360)	-
<b>Total Revenue</b>	<u>19,359</u>	<u>-</u>	<u>6</u>	<u>360</u>	<u>(360)</u>	<u>19,365</u>
<b>Profit/(Loss) before taxation</b>	<u>3,768</u>	<u>(51)</u>	<u>(54)</u>	<u>(2,057)</u>	<u>-</u>	<u>1,606</u>
Income Tax expenses						0
<b>Net profit for the period</b>						<u><u>1,606</u></u>
<b>Segmented assets</b>	<u>58,962</u>	<u>258</u>	<u>147</u>	<u>3,044</u>	<u>-</u>	<u>62,411</u>

**Notes:**

\* *The loss was mainly due to listing expenses as disclosed in note B1*

*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 June 2011 up to the latest practical date 9 August 2011 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 latest practical date 9 August 2011

**APFT BERHAD**  
**Company's No.: 886873-T**  
(Incorporated in Malaysia)  
**Quarterly Report on Results for the Second Quarter Ended 30 June 2011**  
**NOTES**

**A14 Capital commitments**

a. Non-cancelable lease commitments of the Group as at 30 June 2011 are as follows:

	<b>AS AT 30.06.2011 RM'000</b>	<b>AS AT 30.06.2010 RM'000</b>
Current		
- within one year	1,318	N/A
Non-current		
- between one (1) and two (2) years	676	N/A
	1,994	N/A

b. Capital commitment for property, plant and equipment not provided for as at 30 June 2011 are as follows:

	<b>AS AT 30.06.2011 RM'000</b>	<b>AS AT 30.06.2010 RM'000</b>
Approved and contracted for:		
Aircraft, property, plant and equipment	3,000	N/A
	3,000	N/A

**A15 Significant related party transaction**

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

	<b>CURRENT FINANCIAL QUARTER 30.06.2011 RM'000</b>	<b>FINANCIAL YEAR TO DATE 30.06.2011 RM'000</b>
Rental paid to Director <sup>(1)</sup>	13	26
	13	26

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 latest practical date 9 August 2011, the transaction is pending completion. Upon completion of the transaction, this related party transaction will cease to exist.



**APFT BERHAD**  
**Company's No.: 886873-T**  
(Incorporated in Malaysia)  
**Quarterly Report on Results for the Second Quarter Ended 30 June 2011**  
**NOTES**

---

**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 June 2011, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM9.109 million and profit before taxation ("PBT") of RM221,000

For the six months ended 30 June 2011 the Group generated revenue of RM19.365 million and profit before tax of RM1.606 million. Also included in the profit before tax 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 with FRSIC Consensus 13.

**B2 Variation of results against preceding quarter**

The Group registered a revenue of RM9.109 million for the current quarter under review representing a decrease of RM1.147 million or 11.18% from the RM10.256 million in the preceding quarter. The Group's profit before tax was RM221,000 for the current quarter under review as compared to profit before tax of RM1.385 million in the preceding quarter.

The decrease in revenue registered in the current quarter was mainly due to consolidation in our student intake for the month of April and May 2011 in-order to meet the authority guideline. The decrease in profit before tax by RM1.164 million recorded in the current quarter was mainly due to the increase of the cost of service of RM1.205 million (25.57%).

**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 is 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 in the process of obtaining the part

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. The Group plans to commence operation before the year-end.

**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 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 acquisition or disposal of quoted securities for the current quarter and current financial period to-date.

**APFT BERHAD**  
**Company's No.: 886873-T**  
(Incorporated in Malaysia)  
**Quarterly Report on Results for the Second Quarter Ended 30 June 2011**  
**NOTES**

**B8 a. 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 9 August 2011.

**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 utilisation	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 )
<b>Total</b>	<u>11,000</u>	<u>100%</u>		<u>11,000</u>	

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 30.06.2011 RM'000	AS AT 31.12.2010 RM'000
<b>Short term borrowings:</b>		
Secured		
Hire purchase creditors	110	121
Term Loan	2,870	9,555
	<u>2,980</u>	<u>9,676</u>
<b>Long term borrowings:</b>		
Secured		
Hire purchase creditors	68	82
Term Loan	8,455	11,241
	<u>8,523</u>	<u>11,323</u>
	<u>11,503</u>	<u>20,999</u>

**B10 Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at the latest practical date 9 August 2011.

**B11 Material litigations**

There are no material litigations pending at the latest practical date 9 August 2011.

**B12 Dividends**

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

**APFT BERHAD**  
**Company's No.: 886873-T**  
(Incorporated in Malaysia)  
**Quarterly Report on Results for the Second Quarter Ended 30 June 2011**

**NOTES**

**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 30.06.2011	PRECEDING 30.06.2010	CURRENT 30.06.2011	PRECEDING 30.06.2010
Net profit for the period (RM'000)	221	N/A	1,606	N/A
Weighted average number of ordinary shares in issue ('000)	157,000	N/A	147,762	N/A
Basic Earnings per share (sen)	0.14	N/A	1.09	N/A

**B14 Realised and Unrealised Profits Disclosure**

	AS AT 30.06.2011 RM'000
Total retained profits of the Group and its subsidiaries	
- Realised	21,093
- Unrealised	-
Total Group Retained Profits	<u>21,093</u>

**B15 Authorisation for issue**

The interim financial report was duly reviewed by the Audit Committee and approved by the Board of Directors on 15 August 2011.

**By Order of the Board**

**Mr Ng Yim Kong**  
**Company Secretary**  
**Date : 15 August 2011**