

APFT BERHAD

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

Quarterly Report on Results for the Third Quarter Ended 30 September 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
	30.9.2011 RM'000	30.9.2010 RM'000	30.9.2011 RM'000	30.9.2010 RM'000
Operating revenue	8,498	N/A	27,863	N/A
Cost of services	(5,645)	N/A	(16,280)	N/A
Gross profit	2,853	N/A	11,583	N/A
Other income	241	N/A	293	N/A
Administrative expenses	(1,600)	N/A	(4,466)	N/A
Marketing expenses	(79)	N/A	(437)	N/A
Other operating expenses	(971)	N/A	(4,366) *	N/A
Finance costs	(332)	N/A	(889)	N/A
Profit before taxation	112	N/A	1,718	N/A
Taxation	(5)	N/A	(5)	N/A
Net profit for the period	107	N/A	1,713	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income	107	N/A	1,713	N/A
Net profit attributable to:				
Equity holders of the Company	107	N/A	1,713	N/A
Total comprehensive income attributable to:				
Equity holders of the Company	107	N/A	1,713	N/A
Weighted average no. of ordinary shares in issue ('000)	157,000	N/A	150,875	N/A
Earnings per share (sen)				
(a) Basic	0.07	N/A	1.14	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 third 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.

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(Incorporated in Malaysia)

Quarterly Report on Results for the Third Quarter Ended 30 September 2011 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.9.2011	31.12.2010
	RM'000	RM'000
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>	39,636	39,665
<i>Goodwill on consolidation</i>	12	12
Total non-current assets	<u>39,648</u>	<u>39,677</u>
Current assets		
<i>Inventories</i>	1,410	194
<i>Trade receivables</i>	18,082	12,296
<i>Other receivables</i>	7,365	4,308
<i>Cash and bank balances</i>	457	418
Total current assets	<u>27,314</u>	<u>17,216</u>
Total assets	<u>66,962</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>	21,200	19,487
Total equity	<u>37,723</u>	<u>25,487</u>
Non-current liabilities		
<i>Borrowings</i>	11,361	11,241
<i>Hire purchase creditors</i>	92	82
Total non-current liabilities	<u>11,453</u>	<u>11,323</u>
Current liabilities		
<i>Trade payables</i>	1,584	1,686
<i>Other payables</i>	1,898	1,142
<i>Amount due to Director</i>	9,637	6,295
<i>Deferred income</i>	2,673	1,257
<i>Borrowings</i>	1,934	9,555
<i>Hire purchase creditors</i>	53	121
<i>Tax payable</i>	7	27
Total current liabilities	<u>17,786</u>	<u>20,083</u>
Total liabilities	<u>29,239</u>	<u>31,406</u>
Total liabilities and equity	<u>66,962</u>	<u>56,893</u>
Number of ordinary shares in issue	157,000	135,000
Net tangible assets per ordinary share of RM0.20 each (RM)	<u>0.24</u>	<u>0.19</u>
Net assets per ordinary share 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.

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Quarterly Report on Results for the Third Quarter Ended 30 September 2011 CONDENSED CONSOLIDATED STATEMENT 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 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	31,400	(21,000)	6,123	21,200	37,723

Notes:

- This is the third 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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Quarterly Report on Results for the Third Quarter Ended 30 September 2011 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING
	30.9.2011	30.9.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,713	N/A
Adjustments for:		
Depreciation	2,738	N/A
Interest income	(1)	N/A
Interest expenses	889	N/A
Operating profit before working capital changes	5,339	-
Changes in working capital:		
Inventories	(1,216)	N/A
Receivables	(8,843)	N/A
Payables	654	N/A
Deferred income	1,416	N/A
Director	3,342	N/A
Cash from operations	692	-
Interest income	1	N/A
Interest paid	(889)	N/A
Taxes paid	(20)	N/A
Net cash used in operating activities	(216)	-
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(2,710)	N/A
Net cash used in investing activity	(2,710)	-

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(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.9.2011	30.9.2010
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of term loans	(9,948)	N/A
Repayment of hire purchase creditors	(57)	N/A
Draw down of term loan	2,447	N/A
Proceeds from issuance of shares	10,523	N/A
Net cash from financing activities	2,965	-
CASH AND CASH EQUIVALENTS		
Net increase	39	N/A
Brought forward	418	N/A
Carried forward	457	-

Notes :

N/A Not Applicable

- a. This is the third 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.

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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 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

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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 September 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
Revenue from						
External Customers	27,860	-	3	-	-	27,863
Inter-segment revenue	-	-	-	540	-540	-
Total revenue	<u>27,860</u>	<u>-</u>	<u>3</u>	<u>540</u>	<u>-540</u>	<u>27,863</u>
Profit/(loss) before taxation	<u>4,347</u>	<u>-88</u>	<u>-93</u>	<u>-2,448</u> *	<u>-</u>	<u>1,718</u>
Income tax expenses						-5
Net profit for the period						<u><u>1,713</u></u>
Segmented assets	<u>63,794</u>	<u>56</u>	<u>193</u>	<u>2,919</u>	<u>-</u>	<u>66,962</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 September 2011 up to the latest practical date 11 November 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 11 November 2011.

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A14 Capital commitments

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

	AS AT 30.09.2011 RM'000	AS AT 30.09.2010 RM'000
Current		
- within one year	1,171	N/A
Non-current		
- between one (1) and two (2) years	491	N/A
	<u>1,662</u>	<u>N/A</u>

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

	AS AT 30.09.2011 RM'000	AS AT 30.09.2010 RM'000
Approved and contracted for:		
Aircraft, property, plant and equipment	621	N/A
	<u>621</u>	<u>N/A</u>

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:

	CURRENT FINANCIAL QUARTER 30.09.2011 RM'000	FINANCIAL YEAR TO DATE 30.09.2011 RM'000
Rental paid to Director ⁽¹⁾	13	39
	<u>13</u>	<u>39</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. Approval for the transfer have been granted by the land office on 27 September 2011. As at the latest practical date 11 November 2011, 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 30 September 2011, APFT Berhad and its subsidiaries ("APFT Group" or "Group") generated revenue of RM8.498 million and profit before taxation ("PBT") of RM112,000.

For the nine months ended 30 September 2011, the Group generated revenue of RM27.863 million and profit before tax of RM1.718 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 RM8.498 million for the current quarter under review representing a decrease of RM611,000 or 6.71% from the RM9.109 million in the preceding quarter. The Group's profit before tax was RM112,000 for the current quarter under review as compared to profit before tax of RM221,000 in the preceding quarter.

The decrease in revenue registered in the current quarter was mainly due to reduced intake of student for our flight training and education business. The decrease in profit before tax by RM109,000 recorded in the current quarter was mainly due to the decrease 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 in the process of obtaining the part 145 status to be issued by DCA, Malaysia.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Income tax				
Estimated tax payable for current period	-	N/A	-	N/A
Under/(Over) provision in prior year	5	N/A	5	N/A
Deferred tax	-	N/A	-	N/A
Estimated deferred tax for current period	-	N/A	-	N/A
	<u>5</u>	<u>N/A</u>	<u>5</u>	<u>N/A</u>

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.

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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 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 11 November 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)
Total	<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

B9 Borrowings and debt securities

	AS AT 30.09.2011 RM'000	AS AT 31.12.2010 RM'000
Short term borrowings:		
Secured		
Hire purchase creditors	53	121
Term Loan	1,934	9,555
	<u>1,987</u>	<u>9,676</u>
Long term borrowings:		
Secured		
Hire purchase creditors	92	82
Term Loan	11,361	11,241
	<u>11,453</u>	<u>11,323</u>
	<u>13,440</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 11 November 2011.

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B11 Material litigations

There are no material litigations pending at the latest practical date 11 November 2011.

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 30.09.2011	PRECEDING 30.09.2010	CURRENT 30.09.2011	PRECEDING 30.09.2010
Net profit for the period (RM'000)	107	N/A	1,713	N/A
Weighted average number of ordinary shares in issue ('000)	157,000	N/A	150,875	N/A
Basic earnings per share (sen)	<u>0.07</u>	<u>N/A</u>	<u>1.14</u>	<u>N/A</u>

B14 Realised and Unrealised Profits Disclosure

	AS AT 30.09.2011 RM'000
Total retained profits of the Group and its subsidiaries	
- Realised	21,200
- Unrealised	-
Total Group Retained Profits	<u><u>21,200</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 17 November 2011.

By Order of the Board

Mr Ng Yim Kong
Company Secretary
Date : 17 November 2011