Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. All enquiries concerning the Rights Issue of ICPS with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur (Tel: +603 - 2783 9299).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "**Documents**"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 2 November 2017 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 2 November 2017. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of ICPS with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue of ICPS with Warrants, application for Excess ICPS with Warrants B, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess ICPS with Warrants B or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the Securities Commission Malaysia ("**SC**"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of ICPS with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. The Documents have also been lodged with the Companies Commission of Malaysia who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue of ICPS with Warrants has been obtained from our shareholders at our EGM convened on 25 September 2017. Approval has been obtained from Bursa Securities via its letter dated 24 August 2017 for the admission of the Warrants B to the Official List and the listing and quotation of the new securities arising from the Rights Issue of ICPS with Warrants and the new Shares to be issued upon exercise of the Warrants B on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue of ICPS with Warrants and are in no way reflective of the merits of the Rights Issue of ICPS with Warrants.

The Board has seen and approved the Documents and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Mercury Securities, being the Principal Adviser for the Rights Issue of ICPS with Warrants, acknowledges that based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of ICPS with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.

ASIABIO
GROUP

ASIA BIOENERGY TECHNOLOGIES BERHAD
(Company No. 774628-U)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,163,208,800 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN ASIABIO ("ICPS") AT AN ISSUE PRICE OF RM0.08 PER ICPS TOGETHER WITH UP TO 116,320,880 FREE DETACHABLE WARRANTS IN ASIABIO ("WARRANTS B") ON THE BASIS OF 10 ICPS TOGETHER WITH 1 FREE WARRANT B FOR EVERY 5 EXISTING ORDINARY SHARES IN ASIABIO HELD BY THE ENTITLED SHAREHOLDERS OF ASIABIO AT 5.00 P.M. ON 2 NOVEMBER 2017

Principal Adviser

MERCURY SECURITIES SDN BHD
(Company No. 113193-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	Thursday, 2 November 2017 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Allotments	Thursday, 16 November 2017 at 5.00 p.m.
Transfer of Provisional Allotments	Tuesday, 21 November 2017 at 4.00 p.m.
Acceptance and payment	Friday, 24 November 2017 at 5.00 p.m.
Excess ICPS with Warrants B Application and payment	Friday, 24 November 2017 at 5.00 p.m.

This Abridged Prospectus is dated 2 November 2017

ALL TERMS USED HEREIN ARE AS DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

SHAREHOLDERS / INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR FACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF ICPS WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE "DOCUMENTS") IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Abridged Prospectus	-	This abridged prospectus dated 2 November 2017 in relation to the Rights Issue of ICPS with Warrants
Act	-	Companies Act 2016, as amended from time to time and any re-enactment thereof
APSB	-	Asiabio Petroleum Sdn Bhd (1112819-D), a wholly-owned subsidiary of Asiabio
Asiabio or the Company	-	Asia Bioenergy Technologies Berhad (774628-U)
Asiabio Capital	-	Asiabio Capital Sdn Bhd (840116-P), a wholly-owned subsidiary of Asiabio
Asiabio Group or the Group	-	Collectively, Asiabio and its subsidiaries
Asiabio Shares or Shares	-	Ordinary shares in the Company
ASSB	-	Artisan Semesta Sdn Bhd (943284-W), a wholly-owned subsidiary of Asiabio
Base Case Scenario	-	Assuming:- (i) none of the outstanding Warrants A are exercised into new Shares prior to the Entitlement Date; (ii) all Entitled Shareholders fully subscribe to their entitlements of the ICPS with Warrants B; and (iii) the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share
Bloomberg	-	Bloomberg Finance L.P. and its affiliates
BNM	-	Bank Negara Malaysia
Board	-	Board of Directors of Asiabio
Bursa Depository	-	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	-	Bursa Malaysia Securities Berhad (635998-W)
Bylaws	-	The bylaws governing the SIS
Bylaws Amendments	-	Amendments to the Bylaws of the Company
CAGR	-	Compound annual growth rate
CDS	-	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository

DEFINITIONS (CONT'D)

CDS Account(s)	-	Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Change of Name	-	Change of name of the Company from "Asia Bioenergy Technologies Berhad" to "Fintec Global Berhad"
Closing Date	-	24 November 2017 at 5.00 p.m., being the last date and time for the acceptance of and payment for the ICPS with Warrants B
CMSA	-	Capital Markets and Services Act, 2007, of Malaysia as may be amended from time to time and any re-enactment thereof
Code	-	Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time and any re-enactment thereof
Constitution	-	Constitution / Memorandum and Articles of Association of the Company which took effect following the approval of the Shareholders on 25 September 2017
Constitution Amendments	-	Amendments to the Constitution of the Company which took effect following the approval of the Shareholders on 25 September 2017
Converging Knowledge	-	Converging Knowledge Sdn Bhd (926858-U) or the independent market researcher
Conversion Price	-	RM0.16, being the amount to be satisfied in order for an ICPS holder to convert his/her/its ICPS into 1 new Share
Coral Alliance	-	Coral Alliance Sdn Bhd (683936-X)
Corporate Exercises	-	Collectively, the Rights Issue of ICPS with Warrants, Constitution Amendments, Bylaws Amendments and Change of Name
Deed Poll A	-	The deed poll constituting the Warrants A dated 17 March 2014
Deed Poll B	-	The deed poll constituting the Warrants B executed by Asiabio on 17 October 2017
Distribution Licensee	-	Company who holds the licence to distribute electricity
EBITDA	-	Earnings before interest, taxation, depreciation and amortisation
EGM	-	Extraordinary general meeting of the Company
Entitled Shareholder(s)	-	Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date
Entitlement Date	-	2 November 2017, at 5.00 p.m., being the date on which shareholders' names must be registered in the Company's Record of Depositors in order to be entitled to participate in the Rights Issue of ICPS with Warrants
EPS	-	Earnings per Share
Excess ICPS with Warrants B	-	ICPS with Warrants B which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) prior to the Closing Date

Excess ICPS with Warrants B Application(s)	-	Application(s) for additional ICPS with Warrants B in excess of the Provisional Allotments
Exercise Period	-	Any time within a period of 5 years commencing from and including the date of issue of the Warrants B to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 5th anniversary from the date of issue of the Warrants B. Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	-	RM0.15, being the price at which 1 Warrant B is exercisable into 1 Asiabio Share, subject to adjustments in accordance with the provisions of the Deed Poll B
F&B	-	Food and beverage
Famous Ambience	-	Famous Ambience Sdn Bhd (1031223-D), a 51%-owned subsidiary of Focus which will function as the special purpose vehicle through which Focus and the Focus Business Partners will jointly develop the Focus Project
Feed-in Approval Holder	-	An individual or company who holds a feed-in approval certificate issued by SEDA and is eligible to sell renewable energy at the FiT rate
FiT	-	Feed-in Tariff
Focus	-	Focus Dynamics Group Berhad (582924-P), a company listed on the ACE Market of Bursa Securities
Focus Business Partners	-	Collectively, Mr. Ong Kah Hoe and Ms. Ong Yew Ming
Focus Group	-	Collectively, Focus and its subsidiaries
Focus ICPS	-	Irredeemable convertible preference shares in Focus to be issued pursuant to its renounceable rights issue of irredeemable convertible preference shares together with free warrants exercise, which was approved by its shareholders on 7 September 2017
Focus Project	-	A mixed commercial development which is expected to feature retail / F&B lots, event hall, a Chinese restaurant, a seafood restaurant, karaoke centre and car park in a 5-storey building with a basement level to be erected on the Focus Project Land
Focus Project Land	-	2 contiguous parcels of freehold land leased by Focus from City Growth Sdn Bhd, which in turn leased it from Royal Selangor Golf Club, measuring approximately 169,504 sf held under HSD 110729 PT 431 and HSD 110730 PT 432, both in Section 90, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur
Focus Shares	-	Ordinary shares in Focus
Foreign-Addressed Shareholder(s)	-	Shareholder(s) who have not provided to the Company a registered address in Malaysia or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue of ICPS with Warrants by the Entitlement Date
FPE	-	Financial period ended / ending, as the case may be

DEFINITIONS (CONT'D)

FYE	-	Financial year(s) ended / ending, as the case may be
GDP	-	Gross domestic product
ICPS	-	Up to 1,163,208,800 new irredeemable convertible preference shares in Asiabio to be allotted and issued pursuant to the Rights Issue of ICPS with Warrants
kW	-	Kilowatt(s)
kWh	-	Kilowatt hour
LAT	-	Loss after taxation
LBT	-	Loss before taxation
Listing Requirements	-	ACE Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	-	4 October 2017, being the latest practicable date prior to the printing of this Abridged Prospectus
LTD	-	16 October 2017, being the last trading day prior to the date of fixing the issue price of the ICPS
MARA	-	Majlis Amanah Rakyat
Market Day(s)	-	A day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is open for trading in securities
Maximum Scenario	-	Assuming:- (i) all the outstanding Warrants A are exercised into new Shares prior to the Entitlement Date; (ii) all Entitled Shareholders and/or their renouncee(s) fully subscribe to their entitlements of the ICPS with Warrants B; and (iii) the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 1 ICPS (which is issued at an issue price of RM0.08 each) with additional cash payment of RM0.08 to arrive at the Conversion Price of RM0.16 for 1 new Share.
Mercury Securities or the Principal Adviser	-	Mercury Securities Sdn Bhd (113193-W)
MICE	-	Meetings, incentives, conferences and exhibitions

DEFINITIONS (CONT'D)

Minimum Scenario	-	Assuming:- (i) none of the outstanding Warrants A are exercised into new Shares prior to the Entitlement Date; (ii) the Rights Issue of ICPS with Warrants is undertaken on the Minimum Subscription Level; and (iii) the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share
Minimum Subscription Level	-	Minimum subscription level of 125,000,000 ICPS together with 12,500,000 Warrants B, based on an issue price of RM0.08 per ICPS, or such other number of ICPS such that the aggregate subscription proceeds of ICPS received by the Company amounts to not less than RM10 million
MW	-	Megawatt(s)
N/A	-	Not applicable
NA	-	Net assets
NPA	-	Notice of provisional allotment in relation to the Rights Issue of ICPS with Warrants
Official List	-	A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed
PAT	-	Profit after taxation
PBT	-	Profit before taxation
Previous Share Consolidation	-	Consolidation of every 3 Asiabio Shares into 1 Asiabio Share which was completed on 6 June 2017
Provisional Allotments	-	The ICPS with Warrants B provisionally allotted to Entitled Shareholders
Record of Depositors	-	A record of security holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue of ICPS with Warrants	-	Renounceable rights issue of up to 1,163,208,800 new ICPS together with up to 116,320,880 free detachable Warrants B on the basis of 10 ICPS together with 1 free Warrant B for every 5 existing Shares held by the Entitled Shareholders on the Entitlement Date
RM and sen	-	Ringgit Malaysia and sen, respectively
RSF	-	Rights subscription form in relation to the Rights Issue of ICPS with Warrants
Rules of Bursa Depository	-	The rules of Bursa Depository as issued pursuant to the SICDA
Rules on Take-overs, Mergers and Compulsory Acquisitions	-	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time

SC	-	Securities Commission Malaysia
SEDA	-	Sustainable Energy Development Authority Malaysia
Share Registrar	-	Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Shareholders	-	Registered holders of Asiabio Shares
SICDA	-	Securities Industry (Central Depositories) Act, 1991 of Malaysia and includes any amendments from time to time and any re-enactment thereof
SIS	-	Share issuance scheme of the Company which took effect on 29 July 2015 for a period of 5 years
SISB	-	Solar Interactive Sdn Bhd (855449-U), a wholly-owned subsidiary of Vsolar
SIS Options	-	Options which have been and/or may be granted under the SIS pursuant to the Bylaws, where each holder of the SIS Options can subscribe for 1 new Share for every 1 SIS Option held
Smith Zander	-	Smith Zander International Sdn Bhd (1058128-V) or the independent market researcher
TEAP	-	Theoretical ex-all price
Undertakings	-	The written undertakings from the Undertaking Shareholders dated 31 July 2017 pursuant to which the Undertaking Shareholders have irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for their respective entitlements under the Rights Issue of ICPS with Warrants and to apply for any ICPS not taken up by way of excess ICPS applications, to the extent such that the aggregate subscription proceeds of ICPS received by Asiabio arising from the subscription by all Entitled Shareholders and/or their renouncee(s) amounts to not less than RM10.0 million, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholders	-	Tan Sik Eek and Leung Kok Keong, both of whom are the Executive Directors of Asiabio
USD	-	United States Dollars, the lawful currency of the United States of America
Vsolar	-	Vsolar Group Berhad (631995-T), a company listed on the ACE Market of Bursa Securities
Vsolar Group	-	Collectively, Vsolar and its subsidiaries
Vsolar Rights Shares	-	New Vsolar Shares to be allotted and issued pursuant to the renounceable rights issue of Vsolar Shares together with free warrants exercise, which was announced by Vsolar on 13 October 2017
Vsolar Shares	-	Ordinary shares in Vsolar
VWAP	-	Volume weighted average price

DEFINITIONS (CONT'D)

Warrants A	-	Outstanding 131,295,625 Asiabio warrants 2014/2024 issued by the Company pursuant to the Deed Poll A which are expiring on 19 April 2024
Warrants B	-	Up to 116,320,880 free detachable Asiabio warrants to be allotted and issued pursuant to the Rights Issue of ICPS with Warrants
Warrant A Holder(s)	-	The holder(s) of the Warrants A
Warrant B Holder(s)	-	The holder(s) of the Warrants B

In this Abridged Prospectus, all references to "the Company" are to Asiabio and references to "we", "us", "our" and "ourselves" are to the Company and, where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to the Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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TABLE OF CONTENTS

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TABLE OF CONTENTS (CONT'D)

APPENDICES

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CORPORATE DIRECTORY

ASIABIO
GROUP

ASIA BIOENERGY TECHNOLOGIES BERHAD
(Company No. 774628-U)
(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

Name *(Designation)*	Address	Nationality	Profession
Dato' Seri Abdul Azim Bin Mohd Zabidi *(Independent Non-Executive Chairman)*	Tanah Abang No. 1 Jalan Setiabudi Bukit Damansara 50490 Kuala Lumpur	Malaysian	Company Director
Chu Chee Peng *(Senior Independent Non-Executive Director)*	No. 3A, Jalan SP4 Taman Saujana Palma 43000 Kajang Selangor Darul Ehsan	Malaysian	Company Director
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Non-Independent Non-Executive Director)*	No. 1, Jalan Mewah 1 Kemensah Heights 68000 Ampang Selangor Darul Ehsan	Malaysian	Chief Operating Officer of Pelaburan MARA Berhad
Ong Tee Kein *(Independent Non-Executive Director)*	85, Medan Athinahapan Dua Taman Tun Dr. Ismail 60000 Kuala Lumpur	Malaysian	Company Director
Leung Kok Keong *(Executive Director)*	8, Jalan SS2/8A 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Tan Sik Eek *(Executive Director)*	Unit D16-15, 16th Floor Residency @ Park 51 Jalan 51A/241, Seksyen 51A 47000 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Ong Tee Kein	Chairman	Independent Non-Executive Director
YM Tengku Ahmad Badli Shah Bin Raja Hussin	Member	Non-Independent Non-Executive Director
Chu Chee Peng	Member	Senior Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

COMPANY SECRETARIES	:	Leung Kok Keong (MIA 8109) Lim Lee Kuan (MAICSA 7017753) Ng Sally (MAICSA 7060343) 10th Floor, Menara Hap Seng No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur Tel : +603 - 2382 4288 Fax : +603 - 2382 4170
REGISTERED OFFICE	:	10th Floor, Menara Hap Seng No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur Tel : +603 - 2382 4288 Fax : +603 - 2382 4170
PRINCIPAL PLACE OF BUSINESS	:	Level 3A, No. 1-3, Street Wing Sunsuria Avenue Persiaran Mahogani Kota Damansara, PJU 5 47810 Petaling Jaya Selangor Darul Ehsan Tel No. : +603 - 6142 3088/4688 Fax No. : +603 - 6142 4588 Website: www.asiabio.com.my Email: mail@asiabio.com.my
AUDITORS AND REPORTING ACCOUNTANTS	:	Siew Boon Yeong & Associates (AF: 0660) 9-C, Jalan Medan Tuanku Medan Tuanku 50300 Kuala Lumpur Tel No. : +603 - 2693 8837 Fax No. : +603 - 2693 8836
SOLICITORS FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS	:	Mah-Kamariyah & Philip Koh 3A07, Block B, Phileo Damansara II 15 Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel : +603 - 7956 8686 Fax : +603 - 7956 2208
INDEPENDENT MARKET RESEARCHERS	:	Smith Zander International Sdn Bhd Level 23, Premier Suite, One Mont' Kiara 1 Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Tel : +603 - 2785 6822 Fax : +603 - 2785 6922 Converging Knowledge Sdn Bhd E-8-6 Megan Avenue 1 No. 189 Jalan Tun Razak 50400 Kuala Lumpur Tel : +603 - 2333 8955 Fax : +603 - 2333 8899

CORPORATE DIRECTORY (CONT'D)

PRINCIPAL BANKER	:	Malayan Banking Berhad Ground Floor (East Wing) Block G, Oasis Square No. 2 Jalan PJU 1A/7A Ara Damansara PJU 1A Ara Damansara 47301 Petaling Jaya Selangor Darul Ehsan Tel : +603 - 7842 4391 Fax : +603 - 7842 4037
SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel : +603 - 2783 9299 Fax : +603 - 2783 9222
PRINCIPAL ADVISER	:	Mercury Securities Sdn Bhd L-7-2, No. 2, Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel : +603 - 6203 7227 Fax : +603 - 6203 7117
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	ACE Market of Bursa Securities

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Company No. 774628-U

ASIABIO
GROUP

ASIA BIOENERGY TECHNOLOGIES BERHAD
(Company No. 774628-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

2 November 2017

Board of Directors

Dato' Seri Abdul Azim Bin Mohd Zabidi *(Independent Non-Executive Chairman)*
Chu Chee Peng *(Senior Independent Non-Executive Director)*
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Non-Independent Non-Executive Director)*
Ong Tee Kein *(Independent Non-Executive Director)*
Leung Kok Keong *(Executive Director)*
Tan Sik Eek *(Executive Director)*

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,163,208,800 ICPS AT AN ISSUE PRICE OF RM0.08 PER ICPS TOGETHER WITH UP TO 116,320,880 FREE DETACHABLE WARRANTS B ON THE BASIS OF 10 ICPS TOGETHER WITH 1 FREE WARRANT B FOR EVERY 5 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON THE ENTITLEMENT DATE

1. INTRODUCTION

On 11 August 2017, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake, amongst others, the Rights Issue of ICPS with Warrants.

On 24 August 2017, Mercury Securities on behalf of the Board, announced that Bursa Securities had, vide its letter dated 24 August 2017, granted its approval for the following:-

(i) admission of up to 1,163,208,800 ICPS and up to 116,320,880 Warrants B to the Official List of Bursa Securities;

(ii) listing and quotation of up to 1,163,208,800 ICPS and up to 116,320,880 Warrants B on the ACE Market of Bursa Securities;

(iii) listing and quotation of up to 1,163,208,800 new Shares to be issued arising from the full conversion of ICPS on the ACE Market of Bursa Securities; and

(iv) listing and quotation of up to 116,320,880 Shares to be issued upon the exercise of the Warrants B on the ACE Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:-

Condition		Status of compliance
(i)	Asiabio and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of ICPS with Warrants;	To be met
(ii)	Asiabio and Mercury Securities to inform Bursa Securities upon the completion of the Rights Issue of ICPS with Warrants;	To be met
(iii)	Asiabio to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of ICPS with Warrants is completed; and	To be met
(iv)	Asiabio to furnish Bursa Securities on a quarterly basis a summary each of the total number of shares listed pursuant to the conversion of ICPS and exercise of Warrants B as at the end of each quarter together with a detailed computation of listing fees payable.	To be met

The Board is pleased to inform that the Shareholders had, during the EGM held on 25 September 2017, approved, amongst others, the Rights Issue of ICPS with Warrants. A certified true extract of the resolutions approving, amongst others, the Rights Issue of ICPS with Warrants at the said EGM is attached in Appendix II of this Abridged Prospectus.

On 17 October 2017, Mercury Securities had, on behalf of the Board, announced that the Board resolved to fix the issue price of the ICPS at RM0.08 per ICPS and the Exercise Price at RM0.15 per Warrant B.

On 19 October 2017, Mercury Securities had, on behalf of the Board, announced that the entitlement date for the Rights Issue of ICPS with Warrants has been fixed at 5.00 p.m. on 2 November 2017.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by Mercury Securities or us in connection with the Rights Issue of ICPS with Warrants.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE OF ICPS WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

2.1 Details of the Rights Issue of ICPS with Warrants

In accordance with the terms of the Rights Issue of ICPS with Warrants as approved by Bursa Securities as well as the Shareholders and subject to the terms of this Abridged Prospectus and the accompanying documents, the Rights Issue of ICPS with Warrants entails a provisional allotment of up to 1,163,208,800 ICPS together with up to 116,320,880 free detachable Warrants B on a renounceable basis of 10 ICPS together with 1 free Warrant B for every 5 existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.08 per ICPS.

As the ICPS and Warrants B are prescribed securities, the respective CDS Accounts of Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICPS with Warrants. Entitled Shareholders will find enclosed in this Abridged Prospectus, the NPA notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts and the RSF to enable Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess ICPS with Warrants B if Entitled Shareholders so choose to. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Warrants B are attached to the ICPS without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) who subscribe for the ICPS. The Warrants B are exercisable into new Asiabio Shares and each Warrant B will entitle the Warrant B Holder to subscribe for 1 new Asiabio Share at the Exercise Price. The Warrants B will be immediately detached from the ICPS upon issuance and traded separately. The Warrants B will be issued in registered form and constituted by the Deed Poll B.

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the ICPS, Warrants B and the new Shares to be issued and allotted upon the exercise of the Warrants B will be credited directly into the respective CDS Accounts of successful applicants and holders of Warrant B who exercise their Warrants B (as the case may be). No physical certificates will be issued to the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s), nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants B.

The Rights Issue of ICPS with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue of ICPS with Warrants. However, the ICPS and Warrants B cannot be renounced separately, and only Entitled Shareholders who subscribe for the ICPS will be entitled to the Warrants B. As such, the Entitled Shareholders who renounce all of their ICPS entitlements will not be entitled to the Warrants B. If the Entitled Shareholders accept only part of their ICPS entitlements, they shall be entitled to the Warrants B in proportion to their acceptance of the ICPS entitlements.

The ICPS with Warrants B which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renouncee(s), if applicable, shall be made available for Excess ICPS with Warrants B Applications.

Fractional entitlements arising from the Rights Issue of ICPS with Warrants, if any, will be disregarded and dealt with by the Board in such manner and on such terms and conditions as the Board at its absolute discretion deems fit or expedient and in the best interests of the Company.

Notice of allotment will be despatched to Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) within 8 Market Days from the last date for acceptance and payment of the ICPS with Warrants B or such other period as may be prescribed by Bursa Securities.

The ICPS and Warrants B will be admitted to the Official List and the listing and quotation of these securities will commence 2 Market Days upon the receipt of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited.

2.2 Salient terms of the ICPS

The salient terms of the ICPS to be issued pursuant to the Rights Issue of ICPS with Warrants are set out below:-

Issuer	:	Asiabio
Issue size	:	Up to 1,163,208,800 ICPS
Issue price	:	RM0.08 per ICPS.
Form and denomination	:	The ICPS will be constituted by the Company's Constitution and will be issued in registered form.
Dividend rate	:	The holders of ICPS shall not be entitled to be paid any dividends whatsoever.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of the ICPS shall be 100 units of the ICPS, or such other number of units as may be prescribed by Bursa Securities.
Tenure	:	10 years commencing from and inclusive of the date on which the ICPS is issued.
Maturity Date	:	The Market Day immediately preceding the date which is the 10th anniversary from the date of issue of the ICPS.
Conversion Period	:	The ICPS may be converted into new fully-paid Shares on any Market Day commencing on and including the issue date of the ICPS up to and including the Maturity Date. Any remaining ICPS that are not converted by the Maturity Date shall be automatically converted into new fully-paid Shares at the Conversion Ratio (as defined hereinafter).
Conversion Price	:	The Conversion Price of the ICPS to be converted into 1 new Asiabio Share is RM0.16 based on the Conversion Ratio.
Conversion Mode	:	The ICPS may be converted into new fully-paid Shares at the Conversion Price in the following manner:- (i) by surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the Conversion Price, subject to a minimum of 1 ICPS and a maximum of 2 ICPS for every 1 new Share ("**Conversion Ratio**"); and (ii) by paying the difference between the aggregate issue price of ICPS surrendered and the Conversion Price, if any, in cash, for every 1 new Share. Based on the above, the 2 conversion modes are illustrated below:-

No. of ICPS to surrender for cancellation	Total issue price of ICPS surrendered (RM)	Additional cash payment (RM)	Conversion price (RM)
1	0.08	0.08	0.16
2	0.16	-	0.16

		<u>Note:-</u> The rationale for having 2 conversion modes as illustrated above is to allow more options for ICPS holders to convert their ICPS into new Shares. For example, ICPS holders can maximise the number of new Shares they can receive from conversion of their ICPS through surrendering 1 ICPS with additional cash payment of RM0.08 for every 1 new Share. On the other hand, if the ICPS holders do not wish to incur any additional cash payment, the ICPS holders can simply surrender 2 ICPS without any additional cash payment for every 1 new Share.
Redemption	:	Not redeemable for cash
Conversion Rights	:	(i) Each ICPS carries the entitlement to convert into new Shares at the Conversion Price through the surrender of the ICPS in the manner of the Conversion Mode; and (ii) If the conversion results in a fractional entitlement to Asiabio Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
Adjustments to Conversion Price and/or Conversion Mode	:	The Conversion Price and/or Conversion Mode may be adjusted at the determination of the Board, in all or any of the following events:- (i) a bonus issue of Shares by the Company; or (ii) a capital distribution to the Shareholders made by the Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is lost or unrepresented by assets; or (iii) a rights issue of Shares or convertible securities by the Company; or (iv) a consolidation of shares, subdivision of shares or reduction of capital; or (v) any other circumstances deemed necessary by the Board, provided that any adjustment to the Conversion Price will be rounded down to the nearest 1 sen (RM0.01). The adjustments shall be adjusted, calculated or determined by the Board in consultation with and certified by an approved adviser or external auditor appointed by the Company, as the case may be.
Ranking of the ICPS and liquidation preference	:	The ICPS are unsecured and shall upon allotment and issue rank *pari passu* amongst themselves and shall rank in priority to any other class of shares in the capital of the Company, except that:- (a) they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared by the Company; and (b) they carry no right to vote at any general meeting of the Company save for the voting rights as set out under the "Rights of the holders of ICPS" section.

		In the event of liquidation or winding-up of the Company:- (a) the assets of the Company shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right for the holders of ICPS to participate in any surplus capital or surplus profits of the Company; and (b) in the event that the Company has insufficient assets to permit payment of the full issue price to the holders of ICPS, the assets of the Company shall be distributed pro rata on an equal priority to the holders of ICPS in proportion to the amount that each holder of ICPS would otherwise be entitled to receive.
Ranking of new Shares to be issued pursuant to the conversion of the ICPS	:	The new Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date for which is prior to the date of allotment and issuance of such new Shares arising from the conversion of the ICPS.
Rights of the holders of ICPS	:	An ICPS does not carry any right to vote at any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting in each of the following circumstances until and unless the holders of ICPS convert their ICPS into new Shares:- (a) on a proposal considering the reduction of the share capital of the Company (excluding any cancellation of capital which is lost or unrepresented by assets); (b) on a proposal for the sale of the whole of the Company's property, business and undertaking; (c) on a proposal that directly affects the rights and privileges attached to the ICPS; (d) on a proposal to wind-up the Company; and (e) during the winding-up of the Company. Where the holders of ICPS are entitled to vote at any general meeting, every ICPS shall on a poll, carry 1 vote for each ordinary share into which the ICPS are convertible upon exercise of the Conversion Right (based on the Conversion Mode) and every ordinary share shall, notwithstanding any other provision of the Constitution, carry 1 vote for each such share. The holders of ICPS shall have the right to receive notices, reports and accounts and attend meetings, of which Shareholders are entitled.

Listing	:	The ICPS will be listed and traded on the ACE Market of Bursa Securities. Bursa Securities had on 24 August 2017 granted its approval for the admission of the ICPS to the Official List and the listing and quotation of the ICPS and the new Shares to be issued arising from the conversion of the ICPS on the ACE Market of Bursa Securities.
Transferability	:	As the ICPS will be listed and quoted on Bursa Securities, they will be deposited in a central depository system of Bursa Securities and will be subject to the Rules of the Depository, including the transfer of the ICPS. In the event the ICPS become unlisted, the ICPS shall be transferable by instrument in writing in the usual or common form or such other form as the Board or the relevant authorities may approve.
Modification of rights	:	The Company may from time to time with the consent or sanction of the holders of the ICPS make modifications to the terms of which in the opinion of the Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations. Any variation, modification or abrogation of the rights and privileges attached to the ICPS shall require the sanction of a special resolution of the ICPS holders holding or representing not less than 75% of the outstanding ICPS.
Governing law	:	The laws of Malaysia.

2.3 Salient terms of the Warrants B

The salient terms of the Warrants B to be issued pursuant to the Rights Issue of ICPS with Warrants are set out below:-

Issuer	:	Asiabio
Issue size	:	Up to 116,320,880 Warrants B to be issued pursuant to the Rights Issue of ICPS with Warrants
Form and detachability	:	The Warrants B will be issued in registered form and constituted by the Deed Poll B. The Warrants B which are to be issued with the ICPS will be immediately detached from the ICPS upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants B shall be 100 units of Warrants B, or such other number of units as may be prescribed by Bursa Securities.
Tenure of the Warrants B	:	5 years from the date of issuance of the Warrants B.

Exercise Period	:	The Warrants B may be exercised at any time within a period of 5 years commencing from and including the date of issue of the Warrants B to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 5th anniversary from the date of issue of the Warrants B. Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise Price	:	The Exercise Price has been fixed at RM0.15. The Exercise Price and/or the number of Warrants B in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
Exercise rights	:	Each Warrant B shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll B.
Mode of exercise	:	The holders of the Warrants B are required to lodge a subscription form with the Company's registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the Exercise Price payable when exercising their Warrants B to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustments to the Exercise Price and/or the number of the Warrants B	:	Subject to the provisions of the Deed Poll B, the Exercise Price and/or the number of unexercised Warrants B in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants B, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or for reduction of capital, in accordance with the provisions of the Deed Poll B.
Rights of the Warrant B Holders	:	The Warrants B do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants B exercise their Warrants B for new Asiabio Shares in accordance with the provisions of the Deed Poll B) and such new Asiabio Shares have been allotted and issued to such holders.
Ranking of the new Asiabio Shares to be issued pursuant to the exercise of the Warrants B	:	The new Shares to be issued pursuant to the exercise of the Warrants B in accordance with the provisions of the Deed Poll B shall, upon allotment, issue and full payment of the Exercise Price of the Warrants B, rank pari passu in all respects with the then existing issued Shares, save and except that the new Asiabio Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the Entitlement Date of which is prior to the date of allotment of the new Shares arising from the exercise of the Warrants B.

Rights of the Warrant B Holders in the event of winding up, liquidation, compromise and/or arrangement	:	(a) Where a resolution has been passed by the Company for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of Warrants B (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise and arrangement shall be binding on all the holders of the Warrants B; and (b) in any other cases, every Warrants B holder shall be entitled to exercise his/her Warrants B at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Asiabio Shares to the Warrant B Holder credited as fully paid subject to the prevailing laws, and such Warrant B holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Asiabio Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all Subscription Rights of the Warrants B shall lapse and cease to be valid for any purpose.
Modification of rights of the Warrant B Holders	:	Save as otherwise provided in the Deed Poll B, a special resolution of the Warrants B holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrants B holders.
Modification of the Deed Poll B	:	Any modification to the terms and conditions of the Deed Poll B may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll B. Any of such modification shall however be subject to the approval of Bursa Securities (if so required). No amendment or addition may be made to the provisions of the Deed Poll B without the sanction of a Special Resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations or Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrants B holders.

Listing status	:	Bursa Securities had on 24 August 2017 granted its approval for the admission of the Warrants B to the Official List and the listing and quotation of the Warrants B and new Shares to be issued arising from the exercise of Warrants B on the ACE Market of Bursa Securities. The listing and quotation of Warrants B on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants B.
Transferability	:	The Warrants B shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Deed Poll	:	The Warrants B are constituted by the Deed Poll B.
Governing laws	:	The Warrants B and the Deed Poll B shall be governed by the laws of Malaysia.

2.4 Basis of determining the issue price of the ICPS and the exercise price of the Warrants B

(i) Issue price of the ICPS

The Board had fixed the issue price of the ICPS at RM0.08 per ICPS, after taking into consideration the following:-

(a) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus;

(b) the TEAP of Asiabio Shares based on the 5-day VWAP of Asiabio Shares up to and including the trading day prior to the price-fixing date; and

(c) the rationale for the Rights Issue of ICPS with Warrants, as set out in Section 4 of this Abridged Prospectus.

Based on the issue price of the ICPS of RM0.08 and the Conversion Ratio of 2 ICPS for every 1 new Share, the Conversion Price of RM0.16 represents a discount of approximately 13.24% to the TEAP of Asiabio Shares of RM0.1844, calculated based on the 5-day VWAP of Asiabio Shares up to and including the LTD of RM0.2157. The Conversion Price approximates the current market price of Asiabio Shares.

Under the Maximum Scenario and assuming all the ICPS are converted via the surrender of 1 ICPS and cash payment of the difference to arrive at the Conversion Price for 1 new Share based on the Conversion Mode, the maximum number of new Shares to be issued upon full conversion of the ICPS is 1,163,208,800 new Shares.

(ii) Exercise price of the Warrants B

The Board had fixed the Exercise Price at RM0.15 per Warrant B, after taking into consideration, amongst others, the TEAP of Asiabio Shares and the prevailing market prices of Asiabio Shares.

The Exercise Price represents a discount of approximately 18.66% to the TEAP of RM0.1844, calculated based on the 5-day VWAP of Asiabio Shares up to and including the LTD of RM0.2157.

2.5 Ranking of new Asiabio Shares arising from the conversion of the ICPS and/or the exercise of the Warrants B and/or the exercise of the Warrants A

New Asiabio Shares arising from the conversion of the ICPS

The new Shares to be issued pursuant to the conversion of the ICPS shall, upon issue and allotment, rank *pari passu* in all respects with the then existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares.

New Asiabio Shares arising from the exercise of Warrants B

The new Shares to be issued pursuant to the exercise of the Warrants B shall, upon issue and allotment, rank *pari passu* in all respects with the then existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares.

New Asiabio Shares arising from the exercise of the Warrants A

As at the LPD, there are 131,295,625 outstanding Warrants A in the Company with an exercise price of RM0.30 each. The maturity date of Warrants A is on 19 April 2024.

The new Shares to be issued pursuant to the exercise of the Warrants A shall, upon issue and allotment, rank *pari passu* in all respects with the then existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares.

2.6 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **24 November 2017**.

2.7 Details of other corporate exercises

As at the LPD, save for the Rights Issue of ICPS with Warrants and the Change of Name, the Board confirms that there are no other corporate exercises which have been approved by the regulatory authorities but are pending completion. The Change of Name will be implemented after the completion of the Rights Issue of ICPS with Warrants.

3. SHAREHOLDER'S UNDERTAKINGS

The Company intends to raise a minimum of RM10.0 million from the Rights Issue of ICPS with Warrants to meet the funding requirements of the Group, which will be channelled towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue of ICPS with Warrants on the Minimum Subscription Level.

To meet the Minimum Subscription Level, the Company has procured the Undertakings from the Undertaking Shareholders, namely Tan Sik Eek and Leung Kok Keong, both of whom are the Executive Directors of the Company, to subscribe in full for their entitlement and additional ICPS not taken up by other Entitled Shareholders by way of excess shares applications to such extent that the aggregate subscription of ICPS under the Rights Issue of ICPS with Warrants received by Asiabio amounts to not less than RM10.0 million.

Details of the Undertakings under the Minimum Scenario are as follows:-

Undertaking Shareholders	Existing direct shareholdings as at the LPD		Minimum no. of ICPS to be subscribed for pursuant to the Undertakings(2)			Warrants B entitlement based on ICPS subscription
	No. of Shares	%(1)	ICPS subscription based on entitlement	ICPS subscription based on excess application(3)(4)	Total ICPS	No. of Warrants B
Tan Sik Eek	333,333	0.07	666,666	74,333,334	75,000,000	7,500,000
Leung Kok Keong	333,350	0.07	666,700	49,333,300	50,000,000	5,000,000
Total	**666,683**	**0.14**	**1,333,366**	**123,666,634**	**125,000,000**	**12,500,000**

Notes:-

(1) Based on the share capital of 450,308,775 Asiabio Shares as at the LPD.

(2) Based on the issue price of RM0.08 per ICPS.

(3) Computed based on the difference between "Total ICPS" and "ICPS subscription based on entitlement".

(4) Please refer to Section 10.6 of this Abridged Prospectus on the indicative basis of allotment of the Excess ICPS with Warrants B.

Please refer to Section 8.3 of this Abridged Prospectus for the effects of Rights Issue of ICPS with Warrants on the Undertaking Shareholders' shareholdings.

Pursuant to the Undertakings, the Undertaking Shareholders have:-

(i) irrevocably and unconditionally warranted that they shall not sell or in any other way dispose of or transfer their existing interest in the Company or any part thereof during the period commencing from the date of the Undertakings up to the Entitlement Date; and

(ii) confirmed that they have sufficient financial means and resources to subscribe in full for their respective entitlements and additional ICPS not taken up by other Entitled Shareholders by way of excess ICPS applications, to the extent such that the aggregate subscription proceeds of ICPS received by the Company arising from the subscription by all Entitled Shareholders and/or their renouncee(s) amounts to not less than RM10.0 million.

Mercury Securities has verified the sufficiency of financial resources of the Undertaking Shareholders for the purpose of subscribing for the ICPS and excess ICPS pursuant to the Undertakings.

The Undertaking Shareholders have confirmed that their subscriptions for ICPS and excess ICPS pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions immediately after the completion of the Rights Issue of ICPS with Warrants.

In the event that either of the Undertaking Shareholders triggers an obligation to undertake a mandatory take-over offer under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions pursuant to the Undertakings, a separate announcement will be made. The Undertaking Shareholders have each confirmed that they will at all times observe and ensure compliance with the provisions of the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

As the Minimum Subscription Level will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining ICPS not subscribed for by other Entitled Shareholders.

The Undertakings are not expected to result in any breach in the public shareholding spread requirement by the Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company does not hold any treasury shares. The pro forma public shareholding spread based on the Minimum Scenario is illustrated as follows:-

Particulars	**As at the LPD**			**After the Rights Issue of ICPS with Warrants and assuming full conversion of ICPS**		
	No. of Shares	**No. of Shareholders**	**%**	**No. of Shares**	**No. of Shareholders**	**%**
Issued share capital	[(1)] 450,308,775	4,612	100.00	[(2)] 512,808,775	4,612	100.00
Less:						
Directors of Asiabio and subsidiaries of Asiabio						
- Tan Sik Eek	333,333	1	0.07	37,833,333	1	7.38
- Leung Kok Keong	333,350	1	0.07	25,333,350	1	4.94
Persons connected and associated to the Directors of Asiabio	-	-	-	-	-	-
Substantial shareholders of Asiabio [(3)]						
- Pelaburan MARA Berhad	27,999,999	1	6.22	27,999,999	1	5.46
- CPE Growth Capital Limited [(4)(5)]	31,838,166	1	7.07	31,838,166	1	6.21
Persons connected and associated to the substantial shareholders	-	-	-	-	-	-
Shareholders holding less than 100 Shares	41,159	852	0.01	41,159	852	0.01
Public shareholding spread	**389,762,768**	**3,756**	**86.55**	**389,762,768**	**3,756**	**76.01**

Notes:-

(1) Based on the 450,308,775 issued Shares as at the LPD.

(2) Based on the 512,808,775 issued Shares after the Rights Issue with Warrants, pursuant to the Minimum Subscription Level and assuming all 125,000,000 ICPS issued under the Minimum Scenario are fully converted into 62,500,000 Shares based on the Conversion Mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share.

(3) Based on the register of substantial shareholders of the Company as at the LPD.
(4) For information, the ultimate shareholder of CPE Growth Capital Limited is Adamas Finance Asia Limited.
(5) For information, Mr. Tan Sik Eek, an Executive Director of Asiabio, is also a director of CPE Growth Capital Limited.

4. RATIONALE FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS

The Rights Issue of ICPS with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

After due consideration of the various options available, the Board is of the opinion that the Rights Issue of ICPS with Warrants is the most suitable means of fund raising for the Company for the following reasons:-

(i) it will not have an immediate dilution effect on the Group's EPS as the ICPS are expected to be converted over the Conversion Period as opposed to a fund raising exercise via rights issue of ordinary shares which will have an immediate upfront impact on the Group's EPS;

(ii) it will not dilute the shareholdings of the Entitled Shareholders, assuming that all Entitled Shareholders subscribe to their entitlements and fully convert their ICPS;

(iii) it allows the Entitled Shareholders to increase their equity participation in the Company though the conversion of the ICPS into new Shares during the Conversion Period; and

(iv) it enables the Company to raise the requisite funds without incurring additional interest expense as compared to bank borrowings(1), thereby minimising any potential cash outflow in respect of interest servicing costs.

Note:-
(1) Based on the latest audited financial statements of the Group for the FYE 31 March 2017, 81.6% of the Group's total assets is made up of quoted securities.

In view of the above and the volatile nature of investment in quoted securities, the Group is deemed as a higher risk borrower and therefore the interest rates for borrowings that are usually offered to the Group are high and unattractive. As such, the Group is of the view that the Rights Issue of ICPS with Warrants is the most suitable means of fund raising for the Group to avoid the higher cost of borrowings.

The free Warrants B which are to be attached to the ICPS are intended to provide an added incentive to Entitled Shareholders to subscribe for the ICPS. In addition, the free Warrants B will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants B and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants B are exercised.

The exercise of the Warrants B in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should the Company increase its borrowings in the future, the exercise of Warrants B will increase Shareholders' funds and lower the Company's gearing, thereby providing the Company with flexibility in terms of the options available to meet its funding requirements.

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5. UTILISATION OF PROCEEDS

The Group is primarily involved in technology incubation. Since its inception in 2007, the Group has concentrated its investment activities in bio-based "green" technologies particularly in the biodiesel sector, due in part to the high oil prices then and the need of a renewable energy solution to reduce pollution.

Besides focusing on the Group's core business in the investment of unquoted incubatees, the Group had also expanded its investment coverage to include medium to long term investments (i.e. more than 5 years) in quoted securities since 2014. Amongst others, the Group has shareholdings in Focus and Vsolar since 2014.

For information, the Group's investment in Focus and Vsolar is overseen by one of Asiabio's Executive Directors, Mr. Leung Kok Keong, who is also an Executive Director of Focus and Vsolar. This allows him to directly oversee the business operations of both Focus and Vsolar by virtue of having access to relevant key management personnel who are involved in the day-to-day operations of Focus and Vsolar respectively. In view thereof, he will be able to identify, manage and quickly resolve and potential operational risks that may affect these companies as and when they arise.

Focus had on 28 July 2017 proposed to undertake, amongst others, a renounceable rights issue of up to 1,245,384,218 Focus ICPS together with up to 207,564,036 free detachable warrants in Focus. Vsolar had on 13 October 2017 proposed to undertake a renounceable rights issue of up to 1,426,271,553 Vsolar Rights Shares together with up to 950,847,702 free detachable warrants in Vsolar.

Hence, the Rights Issue of ICPS with Warrants is being undertaken by Asiabio mainly to raise funds to subscribe for Focus ICPS and Vsolar Rights Shares as well as for investment in unquoted incubatees and/or start-up companies to be identified.

Based on the issue price of RM0.08 per ICPS, the gross proceeds to be raised from the Rights Issue of ICPS with Warrants will now be utilised in the following manner:-

Proposed utilisation of proceeds		Expected timeframe for utilisation from receipt of proceeds	Minimum Scenario	(1) Base Case Scenario	(1)(2) Maximum Scenario
			RM'000	RM'000	RM'000
(i)	Investment in quoted securities – Focus ICPS	Within 12 months	(3) 4,700	(3) 10,489	(3) 10,489
(ii)	Investment in quoted securities – Vsolar Rights Shares	Within 12 months	(4) 4,350	(4) 8,200	(4) 8,200
(iii)	Working capital	Within 24 months	-	5,000	7,000
(iv)	Investment in unquoted incubatees and/or start-up companies to be identified	Within 36 months	-	47,410	66,418
(v)	Estimated expenses for the Corporate Exercises	Immediate	950	(5) 950	(5) 950
Total			**(6) 10,000**	**(7) 72,049**	**(8) 93,057**

Notes:-

(1) The proceeds in excess of the RM10.0 million under the Minimum Scenario shall be utilised up to its respective allocation in the following order:-

(i) Estimated expenses for the Corporate Exercises
(ii) Investment in quoted securities – Focus ICPS
(iii) Investment in quoted securities – Vsolar Rights Shares
(iv) Working capital
(v) Investment in unquoted incubatees and/or start-up companies to be identified

(2) The Board wishes to highlight that the illustrative amount of up to approximately RM93.1 million that will be raised under the Maximum Scenario is based on the assumption that all the outstanding Warrants A are exercised prior to the Entitlement Date and that the Rights Issue of ICPS with Warrants will be fully subscribed.

The Board is of the view that it is unlikely for all the outstanding Warrants A as at the LPD to be exercised prior to the Entitlement Date in view of, amongst others, the following:-

(i) the last transacted market price of Asiabio Shares as at the LPD of RM0.145;
(ii) the exercise price of RM0.30 per Warrant A; and
(iii) the remaining tenure of approximately 7 years from the LPD for the Warrants A which are expiring on 19 April 2024.

(3) The issue price of the Focus ICPS has not been fixed. Based on the illustrative issue price of RM0.07 per Focus ICPS (as stated in Focus' circular to its shareholders dated 16 August 2017), the Company will need approximately RM10.5 million to subscribe for its Focus ICPS entitlement. If the actual investment sum in Asiabio Capital's entitlement for Focus ICPS exceeds the RM10.5 million raised, the excess will be funded through the proceeds allocated for the investment in unquoted incubatees and/or start-up companies to be identified. Conversely, any surplus of funds after such utilisation will be utilised for investment in unquoted incubatees and/or start-up companies to be identified.

If the Company only manages to raise RM4.7 million for the subscription of Focus ICPS under the Minimum Scenario, the remaining amount will be funded via internally generated funds and/or margin financing facility to be obtained. At this juncture, the Company cannot determine the breakdown between the use of internally generated funds and margin financing facility as this will depend on the availability and quantum of margin financing made available by financiers.

(4) Based on Vsolar's announcement dated 13 October 2017, the issue price of the Vsolar Rights Shares has not been fixed. The Company has provided an irrevocable undertaking to subscribe for at least RM8.2 million in value of Vsolar Rights Shares via its entitlement and excess application, if required, to meet the minimum subscription value of Vsolar's rights issue with warrants exercise of RM8.2 million. The Company has confirmed that it has the financial capacity to fulfil its undertaking to subscribe for the Vsolar Rights Shares.

If the Company only manages to raise RM4.4 million for the subscription of Vsolar Rights Shares under the Minimum Scenario, the remaining amount will be funded via internally generated funds and/or margin financing facility to be obtained. At this juncture, the Company cannot determine the breakdown between the use of internally generated funds and margin financing facility as this will depend on the availability and quantum of margin financing made available by financiers.

(5) If the actual expenses incurred are higher than the budgeted amount of RM950,000, the deficit will be funded from the portion allocated for working capital. Conversely, any surplus of funds following payment of expenses will be utilised for working capital purposes.

(6) Based on the minimum undertaking of RM10 million pursuant to the Undertakings.

(7) Computed by multiplying 900,617,550 ICPS to be issued (based on the basis of 2 ICPS for every 1 existing Share and the pro forma share capital of 450,308,775 Asiabio Shares under the Base Case Scenario) with the issue price of RM0.08 per ICPS.

(8) Computed by multiplying 1,163,208,800 ICPS to be issued (based on the basis of 2 ICPS for every 1 existing Share and the pro forma share capital of 581,604,400 Asiabio Shares under the Maximum Scenario) with the issue price of RM0.08 per ICPS.

For Notes (7) and (8), please refer to Section 8.1 of this Abridged Prospectus for ease of reference.

(i) Investment in quoted securities – Focus ICPS

Focus had on 28 July 2017, proposed to undertake, amongst others, a renounceable rights issue of up to 1,245,384,218 Focus ICPS together with up to 207,564,036 free detachable warrants in Focus on the basis of 6 Focus ICPS together with 1 free warrant in Focus for every 6 existing Focus Shares held by entitled shareholders of Focus.

As at the LPD, Asiabio Capital, a wholly-owned subsidiary of Asiabio, owns 149,841,900 Focus Shares, representing 19.3% of the issued share capital of Focus. In view thereof, Asiabio Capital is entitled to subscribe for 149,841,900 Focus ICPS together with 24,973,650 free warrants in Focus ("**Focus ICPS Entitlement**"). For the avoidance of doubt, Asiabio Capital will not be expanding its percentage shareholding in Focus through its subscription of its Focus ICPS Entitlement.

The issue price of the Focus ICPS has not been fixed. Based on the Focus ICPS Entitlement and the indicative issue price of Focus ICPS of RM0.07 each, the total funding requirement for investment in Focus ICPS is estimated to be RM10,488,933.

The rights issue with warrants exercise to be undertaken by Focus is expected to raise gross proceeds of up to RM74.7 million. Such proceeds will mainly be utilised to fund the Focus Project, a mixed commercial development expected to feature retail / F&B lots, event hall, restaurants, a karaoke centre and car park on 2 contiguous parcels of freehold land measuring approximately 169,504 square feet located in Kuala Lumpur between Jalan Tun Razak and the Royal Selangor Golf Club. The Focus Project will be jointly developed by Focus and the Focus Business Partners. It is strategically situated in a prime area of Kuala Lumpur and is located near landmarks such as TREC KL, Tun Razak Exchange and office complexes such as the headquarters of RHB Banking Group, Menara JCorp and Menara AA.

The construction of the Focus Project is expected to commence in the 1st quarter of 2018 and is expected to be completed within 24 months from commencement of construction i.e. by 1st quarter of 2020.

Focus and its subsidiaries are principally involved in operating and managing F&B businesses, property investment and management as well as provision of engineering services. Based on the latest audited financial statements of Focus for FYE 31 December 2016 as well as its latest unaudited financial statements for the 6-month FPE 30 June 2017, the Focus Group derives its revenue mainly from operating and managing its F&B businesses. Hence, the Focus Project represents part of the continuous efforts of the group in expanding its existing F&B segment. Currently, Focus' F&B segment operates a few F&B outlets, namely *'Chaze'*, *'LAVO Restaurant & Wine Bar'* and *'Maze'*.

(Source: Focus' circular to its shareholders dated 16 August 2017)

Premised on the positive outlook of the F&B industry as set out in Section 7.5 of this Abridged Prospectus, Focus' past experience in the F&B segment as well as the strategic location of the Focus Project, Asiabio believes that the F&B segment of Focus has the potential for growth. As such, Asiabio remains positive on the prospect of Focus and intends to subscribe for its entitlement under Focus' rights issue with warrants.

For further information on Focus' rights issue with warrants exercise, Shareholders may refer to Focus' circular to its shareholders dated 16 August 2017.

(ii) Investment in quoted securities – Vsolar Rights Shares

Vsolar had on 13 October 2017 proposed to undertake a renounceable rights issue of up to 1,426,271,553 Vsolar Rights Shares together with up to 950,847,702 free detachable warrants in Vsolar on the basis of 3 Vsolar Rights Shares for every existing Vsolar Share held together with 2 free detachable warrants in Vsolar for every 3 Vsolar Rights Shares subscribed.

As at the LPD, Asiabio Capital, a wholly-owned subsidiary of Asiabio, owns 55,000,000 Vsolar Shares, representing 14.7% of the issued share capital of Vsolar. Asiabio Capital has provided Vsolar with an irrevocable undertaking to subscribe for at least RM8.2 million in value of Vsolar Rights Shares via its entitlement and excess application, if required, to meet the minimum subscription value of Vsolar's rights issue with warrants exercise of RM8.2 million ("**Vsolar Rights Shares Undertaking**"). The issue price of the Vsolar Rights Shares has not been fixed. Based on an indicative issue price of RM0.10 per Vsolar Rights Share, this translates into the subscription of at least 82,000,000 Vsolar Rights Shares[(1)].

Note:-

(1) This is less than Asiabio Capital's entitlement of 165,000,000 Vsolar Rights Shares. Assuming all the other entitled shareholders of Vsolar subscribe to their Vsolar Rights Shares entitlements, Asiabio Capital's subscription of 82,000,000 Vsolar Rights Shares will result in its percentage shareholding in Vsolar to be 12.22%. For the avoidance of doubt, assuming all the other entitled shareholders of Vsolar subscribe to their respective entitlements of Vsolar Rights Shares, Asiabio Capital will not be expanding its percentage shareholding in Vsolar through the Vsolar Rights Shares Undertaking.

Notwithstanding that, the subscription of 82,000,000 Vsolar Rights Shares is based on the illustrative issue price of RM0.10 per Vsolar Rights Share. Should the actual issue price of Vsolar Rights Share be higher or lower than RM0.10, the actual number of Vsolar Rights Shares to be subscribed for by Asiabio Capital pursuant to its undertaking will decrease or increase accordingly (the actual number will be computed by dividing RM8.2 million with the actual issue price of Vsolar Rights Shares).

Please refer to Section 6.2(ii) of this Abridged Prospectus for the risk attributed to the Group in the event Asiabio Capital fails to fulfil its undertaking to subscribe for the Vsolar Rights Shares.

The rights issue with warrants exercise to be undertaken by Vsolar is expected to raise gross proceeds of up to RM142.6 million. Such proceeds will mainly be utilised to fund the capital expenditure for development of biomass / biogas renewable energy plant.

Vsolar and its subsidiaries are principally engaged in amongst others, the business of providing renewable energy such as solar photovoltaic energy. Vsolar had on 9 August 2017 announced that it had entered into an investment and shareholders' agreement dated 8 August 2017 with KRU Energy Asia Pte Ltd, Rangkaian Iltizam Sdn Bhd, Kenneth Lee Wai Tong and VSolar Engineering Sdn Bhd for a joint venture to develop up to 10 MW of biomass / biogas energy generation plant ("**Joint Venture**").

Vsolar has 60% equity interest in the joint venture company in respect of the Joint Venture and proposes to finance its capital commitments in respect of the joint venture company through a combination of the proceeds to be raised from its rights issue with warrants exercise, internally generated funds and/or bank borrowings where necessary, the proportions of which are yet to be determined.

Depending on the amount of proceeds to be raised from its rights issue with warrants exercise, Vsolar will develop between 1MW to 6MW of biomass / biogas energy plants. In this respect, the cost of development for the biomass / biogas plant is approximately RM23.3 million per MW, and requires a land area of about 310 acres. For the avoidance of doubt, Vsolar will develop a biomass / biogas plant with a capacity of at least 1MW using the proceeds raised from its rights issue with warrants exercise.

(Source: Vsolar's announcement dated 13 October 2017)

Based on the favourable industry outlook and prospect of renewable energy industry as set out in Section 7.2 of this Abridged Prospectus, the prospect of renewable energy industry in Malaysia is expected to be fuelled by the existing FiT mechanism system introduced by the Government that obliges Distribution Licensees to buy from Feed-in Approval Holders (e.g. Vsolar) the electricity produced from renewable resources at a fixed FiT rate for an effective period.

The FiT mechanism was introduced by the Government to promote the use of renewable energy and to ensure that renewable energy becomes a viable and sound long-term investment for companies and individuals.

Asiabio believes that renewable energy business, which includes both Vsolar's existing solar photovoltaic and the proposed biomass / biogas energy generation business, has a long term favourable outlook in future. Premised on these factors, Asiabio remains positive on the prospects of Vsolar and intends to subscribe for its entitlement under Vsolar's rights issue with warrants.

For further information on Vsolar's rights issue with warrants exercise, Shareholders may refer to Vsolar's announcement dated 13 October 2017.

(iii) Working capital

The breakdown for the Group's working capital purposes is as follows:-

		Allocation	
Working capital	**Percentage allocation (%)**	**Base Case Scenario (RM'000)**	**Maximum Scenario (RM'000)**
Payment of salaries to staff of the Group	75.0	3,750	5,250[(1)]
Operating expenses and administrative expenses such as utilities, rental costs, transportation costs, marketing costs and other miscellaneous items[(2)]	25.0	1,250	1,750[(1)]
Total	**100.0**	**5,000**	**7,000**

Notes:-

(1) With the increase in funds available for investment in unquoted incubatees and/or start-up companies to be identified under the Maximum Scenario, the Group anticipates its working capital requirement to increase in tandem with its expansion in investment in unquoted incubatees and/or start-up companies. This involves hiring additional staff to assist in the operations of incubatees as well as additional operating expenses and administrative expenses to be incurred with the expected increase in number of incubatees.

(2) The exact breakdown for each component of working capital as well as the timeframe for full utilisation cannot be determined at this juncture and would depend on the actual requirements at the relevant time.

(iv) Investment in unquoted incubatees and/or start-up companies

The Company intends to utilise the balance proceeds of up to RM66.4 million for the Group's future investment in unquoted incubatees and/or start-up companies which are deemed appropriate by the Board as well as activities for nurturing and assisting incubatees as and when the opportunities arise. This will include but not limited to:-

- financing;
- value added services (such as business strategising advice and networking opportunities to the incubatees as well as assisting them on resource management); and
- infrastructure and other support services (such as administrative, accounting and information technology support).

As such, Asiabio needs to be in a state of readiness and have access to a pool of funds in order to capitalise on these strategic opportunities, as and when they arise.

In considering the suitability of the incubatees' business, the Board will consider, amongst others, the markets in which the incubatees are operating, whether they are categorised as high growth and high technology.

High growth industries refer to industries that are experiencing or have potential for rapid growth such as solar and other renewable energy, application development and mobile payment. High technology industries refer to industries that uses advance technology which may include agricultural technology. These sub-industries / segments referred to are not exhaustive given that the nature of the industries are dynamic in nature and will change over time.

The Company intends to focus on identifying suitable incubatees within the agricultural technology sector as it is considered high growth and high technology industries. New agricultural technologies and improved resource management, alongside traditional cultivation methods, can enhance crop, livestock, and aquaculture productivity. Nowadays, agriculture routinely uses sophisticated technologies such as robots, temperature and moisture sensors and aerial imaging devices. These technologies allow businesses to be more efficient, safer, profitable and more environmentally friendly.

Developments in agricultural technology increase productivity and have the potential to spur economic growth. These developments also offer solutions to alleviate food scarcity, starvation, malnutrition and lessen the environmental impact of agriculture.

Premised on the above, and the overview and prospects of agricultural technology industry as set out in Section 7.7 of this Abridged Prospectus, Asiabio is optimistic on the future prospect of the agricultural technology industry.

Notwithstanding the Group's current focus in the agricultural technology industry, the Group's industry targets may vary from time to time depending on its continuous assessment of the prospects of other relevant and/or suitable industries. As such, the Company may also utilise the proceeds to invest in other incubatees in other industries as and when the opportunity arises, subject to the Company's feasibility studies being satisfactorily completed.

In terms of holding period, while the Group aims to hold its investments in incubatee companies for a period of at least 5 years, it will continually assess the viability of all its investments before deciding on whether to pro-long or to shorten the holding period of its investments.

The Group will adopt the following approach in its investment activities:-

	Investment stage	**Details**	**Estimated timeframe**
(i)	Conceptualisation and research	The overall framework is drawn and a team is formed to research and explore the technical aspects, applications and viability of the technology.	3 months – 1 year
(ii)	Modeling, testing and due-diligence	A financial model is built based on information obtained through research or experts engaged by the Group.	1 – 3 months
(iii)	Investment and collaboration	Once the modeling, testing and due-diligence is completed, a detailed report will be given to the Group's technology adviser panel for review before a recommendation is made to the Board for further action to be taken. Where a technology partner is required, the Company will proceed to negotiate with the technology providers to enter into a technology collaboration or technology transfer agreement in order to secure the partner's technical expertise.	1 month
(iv)	Commercialisation and business development	The incubatees commercialise its products and services. The Group participates by procuring financing, securing business and manufacturing licenses from authorities, applying for pioneer status, reviewing legal and technical documents. These allow the incubatees to concentrate on the development and commercialisation of their products / services.	1 – 6 months
(v)	Listing / exit	The Group's investment objective is to realise returns through capital appreciation or via return from investment, i.e., dividends. Its investments can also be realised when the incubatees are floated on a stock exchange or via disposals.	3 – 5 years

As at the LPD, the Group's has a total of 5 incubatees. Please refer to Section 7, Appendix I of this Abridged Prospectus for further details on the incubatees.

As at the LPD, the Company has not identified any unquoted incubatees and/or start-up companies for investment.

Pending the identification of such investment opportunities, the Company will place the unutilised cash proceeds in interest-bearing bank deposits and/or money market financial instruments under a separate bank account from the other proceeds allocated for Sections 5(i), 5(ii), 5(iii) and 5(v) of this Abridged Prospectus. Any form of utilisation from this account shall be subject to the approval of the Audit Committee of the Company. The status of utilisation will also be reported in the quarterly financial results announcements as well as annual reports of the Company.

Once the Company has identified unquoted incubatees and/or start-up companies to be invested in, the Company will make the necessary announcement(s) as provided for in the Listing Requirements, if required. In the event that Shareholders' approval and/or other regulatory approvals are required, the necessary approvals will be sought.

If the Company is unable to identify suitable investments within 36 months from the completion of the Rights Issue of ICPS with Warrants, the Company shall undertake a capital reduction and repayment exercise to distribute the unutilised proceeds back to Shareholders. In such an event, the Company shall seek the necessary approvals from Shareholders and/or other relevant authorities to effect the capital reduction and repayment exercise.

(v) Estimated expenses for the Corporate Exercises

The breakdown of the estimated expenses for the Corporate Exercises is illustrated below:-

Estimated expenses	Amount (RM'000)
Professional fees	(1)750
Fees to Bursa Securities, the SC and the Companies Commission of Malaysia	110
Printing, despatch, advertising expenses and meeting expenses	90
Total	**950**

Note:-
(1) Comprises fees payable to the Principal Adviser, Company Secretaries, Share Registrar, Solicitors for the Rights Issue of ICPS with Warrants, independent market researchers and reporting accountants.

The exact quantum of proceeds that may be raised by the Company from the conversion of the ICPS and/or exercise of the Warrants B would depend on the actual number of ICPS converted during the Conversion Period as well as its Conversion Mode and/or the actual number of Warrants B exercised during the Exercise Period as well as its Exercise Price. The proceeds from the conversion of the ICPS and/or exercise of the Warrants B will be received on an "as and when basis" over the Conversion Period and/or the Exercise Period.

The Board is of the view that the eventual ICPS conversion will mostly be based on the conversion mode of surrendering for cancellation of the ICPS with an aggregate issue price of ICPS equivalent to the Conversion Price for 1 new Share, without any additional cash payment. Hence, it may be unlikely for the Company to receive significant additional proceeds from the conversion of the ICPS. Nevertheless, any proceeds arising from the conversion of ICPS during the Conversion Period will be used to finance the Group's future working capital requirements including those disclosed in Section 5(iii) above. The exact breakdown cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time.

Strictly for illustrative purposes, based on the exercise price of RM0.15 per Warrant B, the Company will raise gross proceeds of up to approximately RM17.4 million upon full exercise of Warrants B under the Maximum Scenario. Any proceeds arising from exercise of Warrants B in the future will be used to finance future working capital requirements including those disclosed in Section 5(iii) above. The exact breakdown as well as the timeframe for full utilisation cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time.

6. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue of ICPS with Warrants:-

6.1 Risks relating to the Group

The risks relating to the Group are segregated according to its major business segments as follows:-

6.1.1 Portfolio investment

The Group's investment portfolio mainly comprises quoted equity securities listed on Bursa Securities. This generally leads to the following risks:-

(a) Quoted securities may constantly be exposed to fluctuations in their market prices due to a multitude of unpredictable factors and unforeseen circumstances. These could include, amongst others, changes in the overall economic conditions locally as well as globally, fluctuations in foreign exchange rates, changes in the local political landscape, major geopolitical events and natural disasters. Price fluctuations may be for a temporary or extended period of time and are generally unpredictable.

(b) The market price performance of a quoted security may be linked to the general trend of the local stock market, which in turn is generally linked to the overall performance of the local economy. Notwithstanding that, the local stock market may also be affected by the movements and trends of other major stock markets overseas. In view thereof, the market price of a quoted security may not always reflect its fair value or book value as external factors may outweigh internal factors. This may result in a quoted security constantly trading below the fair value or book value of the underlying company, regardless of its business performance, financial condition and future prospects.

(c) As the majority of the Group's investment in quoted securities are companies listed on Bursa Securities and which principally operate in Malaysia, the Group's financial performance would be dependent on the performance of the Malaysian stock market as well as the economic performance, political stability and regulatory environment of Malaysia. Any downturn in the Malaysian economy or significant changes to the political landscape and regulatory environment in Malaysia could lead to a persistent downtrend in the market prices of quoted securities invested by the Group. In turn, this could adversely affect the Group's financial performance and financial position.

(d) Certain companies which the Group has investment in are required to secure and maintain business or operating licenses which are subject to annual inspections and/or renewal by the relevant authorities. There is no assurance that these companies are able to secure and maintain its such licenses or pass the necessary inspections or obtain renewal for the licences. Any failure in securing or maintaining such licenses may materially affect the financial performance of the Group.

Further, as the proceeds to be raised from the Rights Issue with Warrants are being earmarked for the subscription of quoted securities in Focus and Vsolar, the Group's investment in these companies is expected to increase. As such, the Group's exposure to the risks faced by Focus and Vsolar in their business activities will increase.

Focus is principally involved in the operation and management of F&B businesses as well as property investment and management through the Focus Project, while Vsolar is principally involved in the provision of renewable energy, particularly solar energy. In view thereof, the risks inherent in the businesses undertaken by Focus and Vsolar are, amongst others, the following:-

(i) Risks relating to investment in Vsolar - renewable energy

Vsolar's renewable energy business is generally exposed to the following risks:-

(a) The renewable energy industry in Malaysia is dependent on initiatives by the Malaysian government to promote renewable energy in Malaysia. Such initiatives include organising schemes which involve inviting companies in the private sector to build solar plants for the production and sale of renewable energy to Tenaga Nasional Berhad, Malaysia's main energy provider. Presently, Vsolar is involved in such schemes via the FiT mechanism as set out in Section 5(ii) of this Abridged Prospectus. However, there is no assurance that the Malaysian government will continue to undertake such initiatives in the future. Without the support of the Malaysian government, the local renewable energy industry may be adversely affected.

(b) For the solar energy industry, unpredictable weather conditions throughout the year may adversely affect the amount of sunlight being received, which in turn leads to reduced extraction of solar energy from solar photovoltaic plants. In turn, this may lead to lower than expected output from Vsolar's solar plants.

(c) Solar plants may be susceptible to breakdowns or downturns from time to time and will require periodical maintenance. As such, there is no assurance that Vsolar's solar plants will be able to generate a consistent level of output every year and this may result in fluctuation in the financial performance of Vsolar.

(ii) Risks relating to investment in Focus - F&B

Focus' F&B segment is generally exposed to the following risks:-

(a) Focus' F&B business is dependent on the goodwill and market receptiveness associated with its flagship F&B outlets, namely *'Chaze'*, *'LAVO Restaurant & Wine Bar'* and *'Maze'*. Consumer preferences and market perception are expected to continually change and there is no assurance that the market receptiveness to the F&B outlets will persist.

If the F&B outlets are unable to constantly adapt to the changes in consumer tastes and preferences, this may lead to gradual decline in its customers and business performance. In addition, any inconsistency in the quality of food and service offered may lead to customer dissatisfaction and adversely affect the brand equity of the F&B outlets.

(b) The F&B industry in Malaysia is diverse as it is made up of a large number of players catering to different market segments and serving a variety of F&B offerings at different price levels. As such, the local F&B industry is highly competitive and there is no assurance that Focus' F&B outlets will be able to withstand the competition. In order to stay ahead of the competition, the F&B outlets may need to incur additional costs to run marketing, advertising and promotional activities as well as revamp or update its menu from time to time.

(c) Businesses in the F&B industry constantly face the risk of food contamination. In the event of an outbreak, the resultant negative publicity may adversely affect the reputation of Focus' F&B outlets and lead to reduction in customers as well as costs that may be incurred to compensate affected customers. Further, the F&B outlets may be required to incur more costs for marketing and advertising activities to restore its reputation.

(d) Focus' F&B outlets source food ingredients from third party suppliers and rely on them for the consistent supply of food ingredients that meet their quality requirements. There is no assurance that these suppliers are able to consistently meet and fulfill their needs and expectations in terms of cost and quality. Fluctuation in prices and/or disruptions in supply of food ingredients may adversely affect the business operations of Focus' F&B outlets.

(iii) Risks relating to investment in Focus - property investment and management

Through the Focus Project, the property investment and management segment of Focus is expected to be exposed to the following risks:-

(a) The Focus Project is expected to comprise retail / F&B lots, event hall, karaoke centre as well as car park. Hence, Focus is expected to be exposed to the risk of, amongst others, slower demand for event spaces and karaoke centres in Kuala Lumpur, softer property market for commercial properties in Kuala Lumpur such as retail lots and F&B lots, general economic downturn and changes in the legal and environmental framework within which the F&B, MICE and karaoke industry operates.

(b) The construction of the Focus Project is expected to complete within 24 months from commencement. Notwithstanding that, the Focus Project may be exposed to potential interruptions or delays arising from, amongst others, site accidents, adverse weather conditions, execution errors, unavailability of skilled manpower, shortages of building materials, equipment and labour as well as delay in obtaining necessary licences, permits or approvals from the relevant authorities.

Any delay in completion of the Focus Project may lead to an escalation of construction costs.

Apart from delays, constructions costs may also escalate following an increase in the cost of labour and/or raw materials during the construction period. Adverse developments in respect of these factors can lead to significant cost overruns and affect the profitability and cash flows of Focus.

(c) The performance of the property market in Malaysia is affected by, amongst others, population growth, economic performance and government regulations. Any adverse developments affecting the property market may have an adverse impact on the business operations and financial performance of Focus.

The property market in Malaysia has been dampened in the past few years, particularly since the introduction of cooling measures by the government to restrict the overheating of the property market and curb excessive price increases as follows:-

- the real property gain tax ("**RPGT**") was reinstated in 2010. The effective maximum RPGT rates were raised from 5% in 2010 to 30% in 2014;

- in 2010, BNM announced a maximum loan-to-value ratio of 70% for third home purchases by consumers; and

- banks can no longer provide financing for projects with developer interest bearing scheme, wherein interest payments on the loan obtained by the buyers are borne by the property developers until the property has been completely constructed.

Any further introduction of cooling measures by the government as well as the tightening of lending criteria by the banks may adversely impact the property market and may lead to an imbalance between the supply and demand of properties in Malaysia which can cause property overhang. In turn, this may adversely affect the financial performance of Focus' property investment and management segment.

6.1.2 Oil and gas services

Since November 2016, the Group has ventured into the oil and gas industry via APSB, a wholly-owned subsidiary of Asiabio. APSB is presently involved in several projects which involve the provision of ancillary services in the oil and gas industry, details of which are further set out in Section 7.8 of this Abridged Prospectus. In view thereof, the Group's oil and gas services segment would be exposed to the following risks:-

(i) Dependence on performance of the oil and gas industry

The performance of APSB is highly dependent on the level of activity in exploration, development and production of oil and gas as well as the corresponding capital expenditure by oil and gas companies. The levels of these activities are in turn dependent on crude oil prices and the laws, regulations and policies governing the oil and gas industry. Accordingly, the demand for ancillary services in the oil and gas industry is inherently linked to the volatility and unpredictability of the prices of crude oil.

For instance, when there is a plunge in oil prices, oil and gas companies may defer or reduce their planned exploration, development or production expenditure as certain oil and gas reserves are no longer commercially viable at low oil prices. This may reduce the demand for APSB's engineering and maintenance services for this industry and consequently the business and/or financial position of the Group may be adversely affected.

(ii) Dependence on key personnel

The continued performance of APSB will depend on the key personnel of APSB as well as its ability to secure and maintain the continued employment of its skilled employees who have the relevant skill set and experience required for the oil and gas industry. There is no assurance that any loss of the services of APSB's key management and skilled personnel will not result in interruption of APSB's business operations.

Any difficulties faced in attracting and retaining sufficient qualified personnel or in procuring timely and adequate replacement of any outgoing key personnel may adversely affect the business operations, competitiveness and financial performance of APSB.

(iii) Competition risk

APSB constantly faces competition from other similar service providers who may have longer operating histories, greater financial strength as well as better technical knowledge and capabilities and therefore, may have a competitive advantage in bidding for contracts. There can be no assurance that APSB will be able to withstand competition from other competitors in the market and successfully secure contracts from time to time.

Should APSB's competitors offer services at a lower cost or engage in aggressive pricing, its revenue may decline if it is unable to match the competitors' costs or aggressive pricing. APSB may therefore have to provide more competitive pricing in order to secure contracts. However, a reduction in pricing without any corresponding cost reduction may materially affect profitability.

6.1.3 Biotechnology products

The Group's biotechnology segment is involved in the production of effective microbes for use as supplement to fertilizers, biopelletising, production of peeled lumber from oil palm trunk, supply of biomass composting and processing machineries. This Group also collaborates with SISB, a wholly-owned subsidiary of Vsolar, on the planting and intercropping of food crops utilising effective micro-organism products at solar photovoltaic energy generation sites. These business are generally exposed to the following risks:-

(i) Dependence on bioenergy and "green" technology industries

The Group's biotechnology segment is dependent on bioenergy and "green" technology industries which are highly specialised fields. These industries are subject to rapid changes in the regulatory and technological landscape including, amongst others, introduction of new regulations by the government and introduction of competing or substitute technology.

If the Group's research and development team is unable to adapt quickly to such rapid changes, it may find the development of its existing technologies obsolete and therefore the resources invested would have been wasted.

(ii) Commercialisation risk

The success of "green" technology developed by the Group ultimately depends on whether it can be successfully commercialised. In this respect, the length of time required to develop and introduce a new technology or product to the market is critical. Delays may be encountered along the way in terms of meeting regulatory requirements and obtaining safety certifications, amongst others. Moreover, the Group may need to incur significant cost to educate consumers when it introduces a new technology or product to the market.

There is no assurance that the Group's biotechnology segment will be able to successfully commercialise all the technologies or products it develops and that this will in turn translate into positive contribution to the Group's financial performance.

6.1.4 Technology incubation

The Group has been involved in incubating start-up technology companies and early stage high growth companies. As such, the Group's investment in such companies is dependent upon the success of the origination and commercialisation of business ideas of its incubatee companies.

Investment in start-ups and companies in the early stages of development in new and rapidly evolving industries carries a high degree of risk due to the lack of prior track record and fast-moving developments which constantly affect the technological landscape, amongst others. Companies involved in rapidly evolving industries may encounter difficulties relating to the technology used or evolving standards and practices.

There can be no assurance that any of the Group's incubatee companies will be financially successful, and if they do not succeed, the value of the Group's assets and profitability will be adversely affected.

6.2 Risks relating to the Rights Issue of ICPS with Warrants

(i) Delay in or abortion of the Rights Issue of ICPS with Warrants

The Rights Issue of ICPS with Warrants may be delayed or cancelled if there is a material adverse change of events or circumstances such as rapid economic decline or a major natural disaster, which is beyond the control of the Company and the Principal Adviser.

In the event of failure in the completion of the Rights Issue of ICPS with Warrants, all application monies received by the Company pursuant to the Rights Issue of ICPS with Warrants will be refunded without interest to the Entitled Shareholders and or their renouncee(s) *(if applicable)* who have subscribed for the ICPS in accordance with Section 243 of the CMSA and if any such monies is not repaid within 14 days after it becomes liable, the Company and its officers shall be liable to return such money with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

In the event that the Rights Issue of ICPS with Warrants is cancelled after the ICPS and Warrants B have been validly allotted to the Entitled Shareholders and/or their renounce(s) *(if applicable)*, a return of monies of the Entitled Shareholders and/or their renounce(s) *(if applicable)* can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of the Shareholders by way of a special resolution in a general meeting, consent of creditors (where applicable) and may require the confirmation of the High Court of Malaya. In such an event, there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

(ii) Failure to fulfil irrevocable undertaking to Vsolar for the subscription of Vsolar Rights Shares

As disclosed in Section 5 of this Abridged Prospectus, Asiabio Capital has provided an irrevocable undertaking to subscribe for at least RM8.2 million in value of Vsolar Rights Shares via its entitlement and excess application, if required, to meet the minimum subscription value of Vsolar's rights issue with warrants exercise of RM8.2 million.

In the event if AsiaBio Capital cannot fulfil its irrevocable undertaking to Vsolar to subscribe for the Vsolar Rights Shares, this may cause AsiaBio Capital to be in breach of its undertaking which can then give rise to a claim for damages by Vsolar or Vsolar may seek for specific performance by requiring AsiaBio Capital to fulfill its undertaking to subscribe for the Vsolar Rights Shares.

(iii) Capital market risk

The market price of the new securities arising from the Rights Issue of ICPS with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which the Company operates in. In view of this, there can be no assurance that the Asiabio Shares (together with the ICPS and any new Shares issued pursuant to the exercise of the Warrants) will trade at or above the TEAP disclosed in Section 2.4 of this Abridged Prospectus after completion of the Rights Issue of ICPS with Warrants.

The Warrants B are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the Warrants B will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants B will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants B will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants B.

(iv) Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, but are not limited to, those set out in this Abridged Prospectus.

In view of this and other uncertainties, the inclusion of any forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and/or other advisers that the plans and objectives of the Group will be achieved.

7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Malaysian economy

The Malaysian economy recorded a stronger growth of 5.8% in the second quarter of 2017 (1Q 2017: 5.6%). Private sector spending continued to be the main driver of growth. On the external front, growth was further supported by the robust expansion in real exports of goods and services (9.6%; 1Q 2017: 9.8) following strong demand for manufactured and commodity products. Real imports moderated slightly to 10.7% (1Q 2017: 12.9%) following more moderate expansion in investment. On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 1.3% (1Q 2017: 1.8%).

Domestic demand grew by 5.7% in the second quarter of the year (1Q 2017: 7.7%), supported by continued expansion in both private sector expenditure (7.2%; 1Q 2017: 8.2%) and public sector spending (0.2%; 1Q 2017: 5.8%).

Private consumption recorded a growth of 7.1% (1Q 2017: 6.6%), supported by the improvement in private sector wages amid continued strength in employment growth. During the quarter, consumer sentiments continued to improve, providing further impetus to household spending.

Given the continued strong performance in the second quarter of 2017, the Malaysian economy recorded a strong growth of 5.7% in first half of 2017. At this point, compared to the beginning of the year, there are considerable improvements in the operating environment of the economy. Looking ahead, it is likely for the Malaysian economy to expand by more than 4.8% for the whole year of 2017. Leading indicators such as the Department of Statistics Malaysia's composite leading index, Malaysian Institute of Economic Research (MIER) Business Conditions Index and MIER Consumer Sentiments Index, suggest continued expansion of the domestic economy. Private consumption will be underpinned by continued wage and employment growth, with support from various policy measures to raise disposable income. Investments will be driven by the implementation of new and ongoing infrastructure projects, and higher capacity expansion in the manufacturing and services sectors.

The stabilization of commodity prices is also expected to lend support to investments in the mining sector. On the external front, exports are expected to benefit from the improvement in global growth, especially among Malaysia's key trading partners. Overall, the economy is expected to record a stronger growth in 2017.

On the supply side, the improvement in both external and domestic demand conditions will benefit the manufacturing and services sectors. The agriculture sector's growth will be underpinned by a recovery in crude palm oil yields post-El Niño. Growth in the mining sector is projected to be mainly supported by output from the ramping up of production in new gas facilities. In the construction sector, new and existing civil engineering projects will drive the sector going forward.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2017, BNM)

The Malaysian economy is expected to expand between 4% and 5% in 2017 (2016: 4% - 4.5%) with nominal gross national income (GNI) per capita increasing 5% to RM39,699 (2016: 4.8%; RM37,812). Economic growth will be underpinned by strong domestic demand, especially private sector expenditure. Private sector activity will be supported by pro-growth fiscal and accommodative monetary policies in an environment of stable inflation, which is projected to range between 2% and 3% (2016: 2% - 2.5%). Meanwhile, public sector expenditure will be driven mainly by higher capital investment by public corporations.

(Source: Economic Report 2016/2017, Ministry of Finance Malaysia)

7.2 Renewable energy industry in Malaysia

The Renewable Energy Act was enforced in 2011 to accelerate contribution from green energy such as solar photovoltaic, biomass, biogas and mini hydro in Malaysia's electricity generation mix. The Renewable Energy Act, 2011, which enabled the introduction of FiT for renewable energy, has increased installed capacity between 2009 and 2014 fivefold to 243 MW.

(Source: 11th Malaysia Plan)

Malaysia's FiT system obliges Distribution Licensees to buy from Feed-in Approval Holders the electricity produced from renewable resources and sets the FiT rate. The distribution licensees will pay for renewable energy supplied to the electricity grid for a specific duration.

By guaranteeing access to the grid and setting a favourable price per unit of renewable energy, the FiT mechanism would ensure that renewable energy becomes a viable and sound long-term investment for companies, industries and also for individuals.

Key terminologies in FiT:

- Distribution Licensees: Companies holding the licence to distribute electricity (e.g. Tenaga Nasional Berhad and Sabah Electricity Sdn Bhd).

- Feed-in Approval Holder: An individual or company who holds a feed-in approval certificate issued by SEDA. The holder is eligible to sell renewable energy at the FiT rate.

- FiT rate: Fixed premium rate payable for each unit of renewable energy sold to Distribution Licensees. The FiT rate differs for different renewable resources and installed capacities. Bonus FiT rate applies when the criteria for bonus conditions are met.

- Indigenous: Renewable resources must be from within Malaysia and are not imported from other countries.

- Duration: Period of which the renewable electricity could be sold to Distribution Licensees and paid with the FiT rate. The duration is based on the characteristics of the renewable resources and technologies. The duration is 16 years for biomass and biogas resources, and 21 years for small hydropower and solar photovoltaic technologies.

(Source: Overview of the FiT system in Malaysia, SEDA's website, extracted on the LPD)

Development of government directives towards renewable energy

Malaysia's commitment towards renewable energy began more than a decade ago in 2001, when the Malaysian government first announced renewable energy as its "fifth fuel" (after oil, gas, coal and hydro energy), advocating this energy source as part of the Eighth Malaysia Plan (2001 - 2005), which extended into the Ninth Malaysia Plan (2006 - 2010). Amongst the initiatives under these plans include the Small Renewable Energy Power Program (launched in 2001), Biomass Power Generation and Demonstration Project (launched in 2002), and Malaysia Building Integrated Photovoltaic Technology Application (launched in 2005).

To reinforce the regulatory framework, resolve shortcomings from earlier initiatives, and to enhance the sustainability of businesses in renewable energy, the Malaysian government introduced the National Renewable Energy Policy and Action Plan in 2010 as part of the 10th Malaysia Plan (2011 - 2015) to set the roadmap for the country's renewable energy. This plan has set the targets for renewable electricity capacity of 975 MW (6% of total capacity) in 2015, 2,065 MW (10% of total capacity) in 2020, 3,484 MW (13% of total capacity) in 2030 and 11,544 MW (34% of total capacity) in 2050, excluding large hydro. At the end of 2015, the country recorded 377 MW of installed renewable energy capacity connected to the electricity grid in the framework of the programme, accounting for less than 40% of the target achieved.

The 2010 roadmap also set the pace in streamlining regulations further on 1 December 2011, through the Renewable Energy Act 2011 [Act 725] and Sustainable Energy Development Authority Act 2011 [Act 726]. The former Act states the rules for the Feed-in Tariff ("FiT") mechanism used in the sale of electricity generated (up to 30 MW) from renewable energy resources to power utility firms at a specific premium, according to the renewable energy resources and installed capacities. Four renewable energy resources that are eligible for FiT are biogas, biomass, small hydropower and solar PV. The latter Act empowers the statutory agency, Sustainable Energy Development Authority ("SEDA"), to oversee the implementation of the FiT mechanism.

The payments made, according to the FiT mechanism, are guaranteed by the renewable energy fund, which is administered by SEDA. One source of the fund is derived from the levy, which was charged at 1% of the total electricity bill paid out by electricity consumers in Malaysia using more than 300 kWh of electricity per month. The levy rate was raised in 2014 to 1.6%. Under the FiT mechanism, power utility firms such as Tenaga Nasional Berhad, Sabah Electricity Sdn Bhd and NUR Distribution are obliged to buy electricity produced from certain qualified renewable energy producers.

Other Policies and Initiatives

Biomass has been identified by the Government of Malaysia as an important commodity that can potentially bring in economic benefits to the nation. The Government of Malaysia hopes to promote the use of waste materials from palm oil as feedstock to generate energy. This is coupled with its biofuels policy to raise demand for local feedstock for crude palm oil, as well as capturing methane from palm oil mill effluents to produce energy.

National Biomass Strategy 2020

The National Biomass Strategy 2020 was introduced by Agensi Inovasi Malaysia, a Malaysian statutory body responsible for the stimulation and development of the innovation eco-system in the nation, in November 2011. The objective of this strategy is to promote the development of the Biomass Industry in Malaysia, with the aim of creating higher value-added economic activities. However, this strategy focuses only on palm oil biomass, as it is the largest contributor to gross national income in the agriculture sector. According to the National Biomass Strategy 2020, the amount of biomass generated by the palm oil sector is expected to rise from 83 million dry tonnes in 2012, to 100 million dry tonnes in 2020. The agency plans to utilise the additional palm oil biomass to increase gross national income, create more high value jobs, achieve the national renewable energy target and reduce carbon dioxide emissions.

The National Green Technology Policy

The National Green Technology Policy was launched in July 2009 by the Ministry of Energy, Green Technology and Water (also known as KeTTHA). Green technology is identified as a driver to accelerate the national economy and promote sustainable development. One of the initiatives unveiled by KeTTHA was the Green Technology Financial Scheme, which provides a government-backed soft loan with interest subsidies to support the development of green technology, and thus, renewable energy producers in Malaysia. This has helped to alleviate the financing woes faced by these producers.

The development of these policies and initiatives by the Malaysian government reflect the strong commitment to build the renewable energy industry in Malaysia. It has also encouraged and incentivised both individuals and corporates to actively participate in the supply of renewable energy to Malaysia's national grid. These policies have also helped to promote renewable energy as an alternative energy source in the country.

(Source: Independent market research report dated 4 October 2017 prepared by Converging Knowledge)

7.3 Biomass and biogas industries in Malaysia

Biomass

Biomass is a renewable energy source derived from biological components, which can be living or non-living, such as plants and biodegradable wastes, respectively. This encompasses energy crops such as corn, wheat, palm, barley and sugar cane as well as other types of waste materials like livestock waste, food waste, landfills and factory waste that can be used for energy generation. Compared to other types of renewable energy sources, biomass helps clean the environment by converting wastes into energy. Biomass energy is produced through the burning of organic or inorganic materials to produce heat, aerobic digestion to produce methane, or through a chemical process of extracting alcohol, usually ethanol or methanol.

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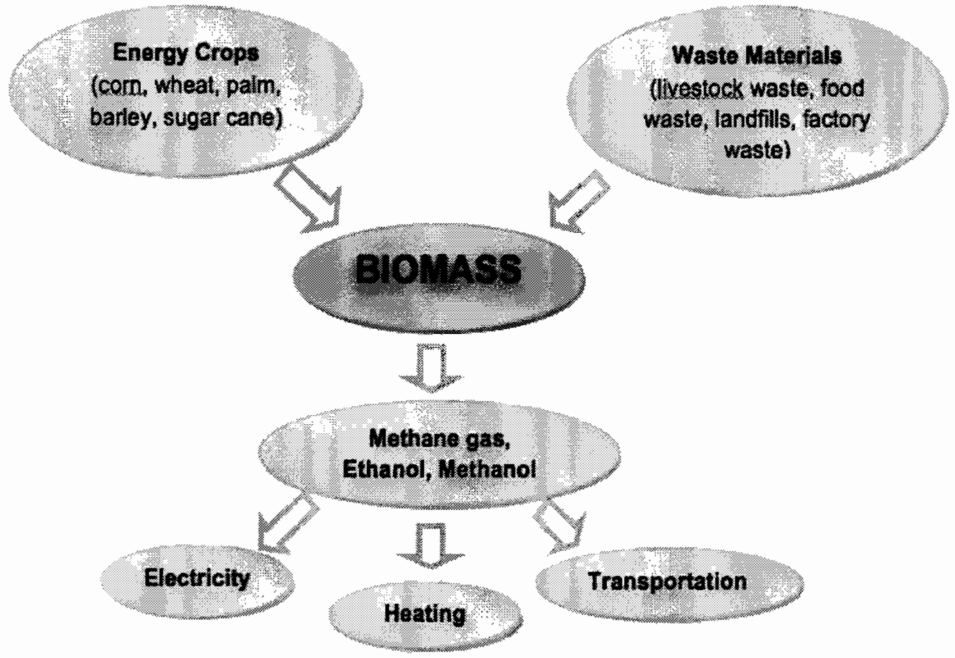
Overview of biomass process flow



Biogas

Biogas is produced through a process called aerobic digestion. Aerobic digestion is a form of treatment whereby micro-organisms break down biomass to produce methane and carbon dioxide. Methane can be captured and burned for heat and mechanical power through a generator to produce electricity. Waste materials, after treatment, can provide an important source of biogas. Some of these waste materials are agricultural waste (for example, animal manure, palm oil bunch, coconut, rice and corn husks), wood (for example, by-products of milling timber such as lumber, bark, and sawdust, or from paper mills such as pulp), food waste, industrial waste (for example, waste from factories such as tapioca factories, palm oil mills, beverage factories, breweries and distillers), and municipal waste (waste from sewage and landfills). The composition of biogas can vary from one biomass to another.

Feedstock for biomass and biogas

Research shows that the palm oil sector in Malaysia generates the largest amount of biomass, compared to other crops. Moreover, majority of the biogas industry is fueled by feedstock from the palm oil industry. Malaysia has the second largest palm oil plantation in the world, after Indonesia. According to the Malaysian Palm Oil Council, Malaysia currently accounts for 39% of world palm oil production, and 44% of world exports. Palm oil is derived primarily from the Fresh Fruit Bunch of the palm oil tree, whereas Empty Fruit Bunch ("EFB") and the remaining biomass (such as palm frond, trunks and fibre) can be utilised to produce renewable energy. In addition to palm biomass, palm oil plantations and mills also generate palm oil mill effluent ("POME"). The biogas from POME could be used for power generation for the mills, and for grid connectivity. The production of palm oil is highly correlated to the yield level, and is dependent on climate conditions and the aggregated maturity of the existing palm oil crop. Thus, a thriving palm oil industry in Malaysia would translate to a stable and rich supply of EFB, which is beneficial for the development of the biomass and biogas industries in Malaysia.

Besides EFB, residuals and waste from Malaysia's timber and logging industry may also be considered as complementary biomass material for energy production. For instance, sawmills produce secondary products such as wood chips and sawdust when cutting logs into timber. These waste wood and logging residuals that are otherwise not used or consumed can be converted into a source of sustainable biomass fuel. In Malaysia, logs and timber are harvested from the abundant forests of Peninsular Malaysia, Sabah, and Sarawak.

The biomass and biogas industries in Malaysia possess significant potential for growth. Although these industries are currently still developing in the country, the Malaysian government has already earmarked these industries to be heavily promoted. Through concerted efforts by industry players and government authorities, Malaysia's biomass and biogas industries have gradually caught the attention of countries that are advocating the use of renewable energy. However, despite the untapped potential, Malaysia's biomass and biogas industries also face some near term challenges, which include lower crude oil prices and stiff competition for raw materials, amongst others.

Growth drivers and key trends that will influence the industry outlook of biomass and biogas

Strong initiatives to boost renewable energy supply

Malaysia is the third largest energy consumer in Southeast Asia, accounting for 15% of the region's overall demand. The country also has high per-capita energy demand, three times the region's average. By 2040, Malaysia's energy demand is likely to double from 2015. The Malaysian government has placed growing emphasis on increasing the deployment of renewable energy technologies and reducing energy subsidies. At the same time, more efforts and plans are being put in place to spearhead renewable energy supply in Malaysia. For example, in early 2017, the Energy Commission started a competitive bid for companies to build large scale solar PV plants in Peninsular Malaysia and Sabah/ Labuan, with a target aggregate capacity of 360 MW in Peninsular Malaysia, and 100 MW in Sabah/ Labuan (expected to be commissioned in 2019-20). Integrated facilities combining both biomass and biogas will be commissioned in early 2018. An upcoming waste-to-energy 25 MW power plant located in Ladang Tanah Merah is the largest integrated facility in Malaysia. This plant is designed with 25 MW biomass and 5 MW biogas generation capacity.

The influence of non-renewable and renewable energy prices

Natural gas and crude oil are the two most important non-renewable energy sources in the production of electricity. The increasing price of natural gas in Malaysia has raised the potential growth demand for biomass and biogas for the power generation segments, as manufacturers seek alternative energy sources. Crude oil prices, however, have been declining from its peak of over USD100 per barrel in June 2014, to prices below USD60 per barrel in recent times. The drop was mainly due to the oversupply of oil globally. The domestic market for biomass and biogas in Malaysia was not affected significantly by the drop in oil prices, due to the FiT mechanism in place to protect the industry. Palm oil biodiesel export, however, saw sharp decline of 53.3% from 2015 to 2016, in view of cheaper oil prices and increased price competition between soybean oil and palm oil. Wood wastes such as sawdust and wood chips are highly sought after in the market. Other than being used as feedstock to manufacture wood pellets, it can also be used in making animal beddings and as fuel for power generation of small factories. Some wood pellet manufacturers are shifting to making EFB pellets by modifying their machines, as wood wastes remain scarce. In general, the biomass and biogas industries continue to remain in positive light, in view of the expectation that the palm oil sector in Malaysia will continue to grow.

Global warming issue

Global warming is one of the most debated issues in the world. The impact of global warming has affected life on earth, and governments around the world are looking for ways to address this critical issue. The Intergovernmental Panel on Climate Change ("IPCC") has identified carbon dioxide emissions from fossil fuel combustion as the largest driver of global warming, and an almost linear relationship between cumulative carbon dioxide emissions and projected global temperature change to the year 2100. The Malaysian government is also committed to the cause in reducing carbon dioxide footprint by pushing the agenda for renewable energy in biomass and biogas.

However, a key question raised in biomass energy production is its sustainability. The agricultural and forestry sectors that supply biomass are already under pressure to expand their production to meet the increasing demand for biomass energy products. Since biomass production is reliant on agricultural crops such as corn, wheat and barley, which are all seasonal crops, they are not available the entire year. Also, wood sources such as trees take a while to mature before it can be harvested as a renewable resource. The occurrence of natural disasters can further aggravate the situation. Floods and droughts, for example, have disruptive impacts on production activities.

Electricity power industry reforms in Malaysia

The power industry in Malaysia has been undergoing several reforms, including the reduction of subsidies for its fuel and gas supplies. The Malaysian government has taken particular interest in electricity, as it accounts for one-fifth of the country's energy consumption. Amongst some of the reforms it has undertaken include revisions to electricity tariffs, which are expected to help finance network expansion, capacity additions, and enabling the use of more efficient technologies for renewable energy. While Malaysia has considerable renewable energy resources, these resources contribute less than 5% of the country's energy needs, as they are often located far from demand centres. As an Asia Pacific Economic Cooperation ("**APEC**") member, Malaysia has committed to double the share of renewables in its overall energy mix by 2030, from 2005 levels, with a target set to increase renewable energy capacity to 2,080 MW by 2020, and 4,000 MW by 2030. Malaysia aims to produce 2,500 MW (10% of electricity requirements) from solar energy by 2020. The Science, Technology and Innovation Ministry has renewed its call for the country to intensify renewable energy development, so as to reduce the country's reliance on thermal power, which constitutes more than 80% of electricity generated. The Academy of Sciences Malaysia had recently completed a study on "Carbon-free Energy: Roadmap for Malaysia", with one of the sectors aimed at exploring biomass energy as an initiative to reduce carbon footprint.

Strong commitment from the Malaysian government to grow palm as renewable energy source

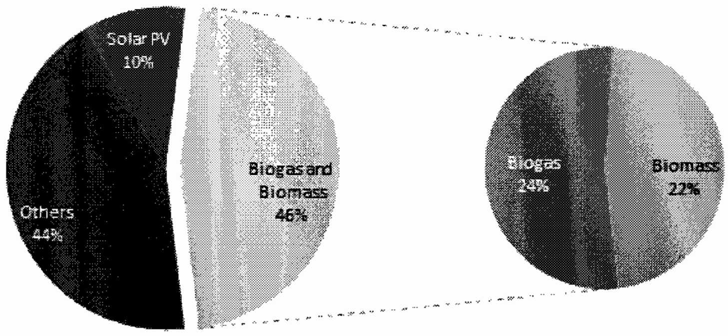
The Malaysian government is committed to promoting the use of palm oil as feedstock to the biomass and biogas industries to generate electricity, so as to reduce dependence on non-renewable energy sources. Though Malaysia is one of the world's largest producers of palm oil, most of its production is used for food or exported as biofuel, rather than as feedstock for the local biomass and biogas industries. While the amount of feedstock used for biomass and biogas is currently low, efforts have been made to incorporate palm oil resources through palm oil biodiesel blending mandates, and increased production and consumption for renewable energy. There are several challenges faced for palm oil as a renewable energy source, including the uncertainty surrounding the sustainability of palm oil supply and its quality, as palm oil is still an agricultural produce, and therefore, subject to climatic conditions, and concerns about whether the industry could keep up with global demand for feedstock for biomass and/ or biogas. For the latter, as land expansion is key to production growth, palm oil as a renewable energy source could raise concern on the environmental sustainability of production.

Prospects of the market and expected growth

Malaysia's growing population and expanding economy will boost demand for energy. At the same time, as the Malaysian government is committed to its green growth trajectory, more focus will be directed to alternatives to fossil fuels, such as biomass, biogas, and solar PV. In the first eight months of 2016, Malaysia approved RM2.07 billion in investment for renewable energy, which exceeded the total investment of RM1.37 billion in 2015. Within the next three years, there will be significant growth for the biomass and biogas industries in Malaysia. In terms of volume, these two segments will contribute nearly half of the new capacity for renewable energy.

This is also in line with Malaysia's target of increasing the share of biomass and biogas to half of the mix of renewable energy by 2020.

Expected potential new installed capacity for renewable energy, 2017 – 2019



While solar PV has been more established, in terms of existing installed capacity, as at 2016, higher growth in the next few years is expected for biomass and biogas, as calculated based on approved projects eligible for FiTs. The biomass and biogas industries will benefit from the government's support of promoting and developing a sustainable palm oil industry. Further capacity is expected from the participation of various industry players. For instance, Tenaga Nasional Bhd has invested in a biomass power generation station in Jengka, Pahang, two biogas power stations in Layang-Layang, Johor and Bagan Datuk, Perak, and two biogas power stations in Puchong and Jeram, Selangor. BIOTEC International Asia Sdn Bhd, a company with technology to generate biogas for tropical agro-based industries, reportedly aims to operate up to 20 biogas facilities (worth RM200 million) at palm oil mills per year from 2020.

There are new transmission lines in the pipelines in Malaysia, particularly East Malaysia, which will improve the accessibility and proximity to powergrids, as well as allow biomass and biogas power generators to sell their excess output to the grids. Together with the FiT mechanism, this will likely boost activities in the biomass and biogas industries.

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While Malaysia is self-sufficient in power supply, many locations across the ASEAN region are not yet connected to power grids or are in shortage of electricity. The ASEAN Power Grid initiative under the ASEAN Vision 2020 opens up further prospects for power generators, including those in renewable energy like biomass and biogas, in Malaysia to participate in cross-border power trade. Recently, Malaysia, Thailand and Laos have signed a memorandum of understanding for the implementation of a multilateral cross-border power trade of up to 100 MW through Thailand. This is a positive signal of future power trade opportunities as the network develops. Peninsular Malaysia's power grid is currently linked with Thailand and Singapore. Under the ASEAN Power Grid, additional interconnections are being developed between Malaysia and Singapore, Thailand and Indonesia, and between the regions of Malaysia.

(Source: Independent market research report dated 4 October 2017 prepared by Converging Knowledge)

7.4 Solar photovoltaic energy industry in Malaysia

<u>**FiT rates for solar photovoltaic (Non-individual (>500kW) (21 years from FiT commencement date)**</u>

Description of Qualifying Renewable Energy Installation	FiT Rates (RM per kWh)
(a) Basic FiT rates having installed capacity of:	
(i) up to and including 4kW	0.7424
(ii) above 4kW and up to and including 24kW	0.7243
(iii) above 24kW and up to and including 72kW	0.5218
(iv) above 72kW and up to and including 1MW	0.5041
(b) Bonus FiT rates having the following criteria (one or more):	
(i) use as installation in buildings or building structures	+0.1395
(ii) use as building materials	+0.1060
(iii) use of locally manufactured or assembled solar photovoltaic modules	+0.0500
(iv) use of locally manufactured or assembled solar inverters	+0.0500

(Source: SEDA's website, extracted on the LPD)

Malaysia will be implementing its 500MW capacity under the net energy metering ("**NEM**") programme commencing 1st November 2016 until 2020 with 100MW capacity limit a year in Peninsular Malaysia and Sabah. The NEM is a solar photovoltaic programme announced by the YAB Prime Minister under the 2016 budget. This is to complement the current FiT mechanism and encourage the deployment of renewable energy as set out in the 11th Malaysia Plan. NEM is executed by the Ministry of Energy, Green Technology and Water, regulated by the Energy Commission, with SEDA as the implementing agency.

As the world wide cost of solar PV system continues to fall significantly each year, the energy consumer can benefit by generating their own energy using solar PV via net metering scheme.

(Source: Overview of NEM, SEDA's website, extracted on the LPD)

Malaysia aims to be the second largest producer of solar photovoltaics ("**PV**") (energy) in the world by 2020, said Ministry of Energy, Green Technology and Water Secretary-General, Datuk Seri Dr Zaini Ujang. He said the current output was 12 per cent and the aim was to reach 20 per cent by then.

According to Zaini, Malaysia is currently ranked third in terms of solar PV (energy) production. According to market research, in 2015, total global shipment of solar PV (energy) amounted to 50.8 gigawatts, whereby China contributed 48 per cent, Taiwan 20 per cent, Malaysia 12 per cent and Japan six per cent.

He said in order to achieve the target Malaysia must adopt the green technology and not being left behind this lucrative markets such as in the United States of America, Europe and Japan.

"Another initiative to meet the target is that Malaysia is now embarking on net energy metering ("**NEM**") as an attractive method to drive solar energy growth," he said. NEM will enable more house and building owners, whether industrial or commercial, to generate electricity for solar PV and use it internally, he said.

Zaini said Malaysia has pledged to reduce its greenhouse gas emission intensity of gross domestic product by 45 per cent by 2030. PV are best known as a method for generating electric power by using solar cells to convert energy from the sun.

(Source: Malaysia aims to become world's second largest PV producer by 2020, SEDA's website, extracted on the LPD)

On 1 November 2016, the Minister of Energy, Green Technology and Water (KeTTHA), Y.B. Datuk Seri Panglima Dr Maximus Johnity Ongkili, implemented the net energy metering (NEM) mechanism which allows eligible consumers to install a solar PV system primarily for personal use and to export the excess energy to the grid. The NEM would be most attractive to home owners as they are now able to generate electricity at their homes and use it internally before exporting the excess or importing the balance needed to and from the grid respectively. Users will receive a billing credit in Malaysian Ringgit from the excess energy that may be used to offset part of the electricity bill for energy provided by the Distribution Licensee, such as Tenaga Nasional Bhd (TNB) and Sabah Electricity Sdn Bhd (SESB) during the applicable billing period.

The NEM is only relevant for solar PV and deployed after the FiT programme. The mechanism was a Budget 2016 Promise announced by the Prime Minister in 2015 and also an effort to ensure sustainability of the solar PV industry in Malaysia. The minister further announced the 500MW capacity of solar quota under the NEM which will be released till 2020. The categories and annual quota release is as below:-

Annual Quota Allocation by Category for Peninsular Malaysia & Sabah (2016-2020)				
Region	**Domestic**	**Commercial**	**Industrial**	**Total**
Peninsular Malaysia	20 MW	35 MW	35 MW	90 MW
Sabah	4 MW	4MW	2 MW	10 MW
Total	**24 MW**	**39 MW**	**37 MW**	**100 MW**

(Source: Ongkili launched net energy metering; another budget promise fulfilled, SEDA's website, published on 1 November 2016)

The Government targets to reduce the intensity of greenhouse gas emissions to 40% of GDP in 2020 through:

First: RM45 million for the implementation of an Electricity Mobility Action Plan including energy audit process;

Second: SEDA will offer a quota of 100 megawatts per year under the net energy metering scheme to encourage the use of solar photovoltaics; and

Third: Extend the implementation period of the Green Technology Financing Scheme until 31 December 2017 with a fund of RM1.2 billion.

(Source: Malaysian Budget 2016)

Expanding the MySuria Programme with an allocation of RM45 million. Through this initiative, solar panels will be installed in more than 1,600 housing units. Each participant will receive RM250 per month.

(Source: Malaysian Budget 2017)

7.5 F&B segment in Malaysia

Malaysia's foodservice market is mature, as there are a wide variety of foodservice segments at different price levels catering to various individuals and household characteristics. The foodservice segments available in Malaysia include full-service restaurant, café and bar, fast food or quick service restaurant ("**QSR**"), street stall/kiosk and self-service food court segments.

Full-service restaurants refer to conventional restaurant concepts where there are waiters to serve patrons when they are seated at their tables. Full-service restaurants, especially those serving Asian cuisine, are popular and common nationwide. Full-service restaurants include international full-service restaurant chains such as "TGI Friday's", "Chili's Grill & Bar" and "Tony Roma's", and Asian full-service restaurant chains include restaurants under the "Oversea", "Unique Seafood", "Grand Imperial", "Oriental", "Dragon-i, "Canton-i" and "Din Tai Fung" group of restaurants.

Cafés and bars have a stronger focus on beverages, as compared to full-service restaurants. In general, cafés do not have waiters to serve patrons, and are largely self-service restaurants. Meanwhile, the differentiating factor for bars is that they have a stronger focus on alcoholic beverages. Visiting cafés and bars has become a common lifestyle habit amongst youths and young adults in urban areas, either for work or for leisure or social engagement after working hours and on weekends.

Fast food or QSRs are restaurants which are able to offer food and beverage within a short period of time, and these restaurants are typically self-service restaurants with pre-cooked meals. Fast food or QSRs appeal to time-pressed individuals seeking affordable and convenient dining options. Several fast food chains in Malaysia also offer delivery and drive-through services in response to consumer demands for convenience. International fast food brands in the country include "McDonald's", "Burger King", "KFC", "Pizza Hut" and "Domino's".

Street stalls/kiosks include stalls and kiosks set up by the roadside, or in the concourse area and food courts of shopping complexes and commercial buildings. Street stalls/kiosks offer a variety of foodservice products, including local food and delicacies, bakery products, ice cream, snacks and coffee, at lower price levels.

Other foodservice segments include other non-traditional segments such as delivery and takeaway services.

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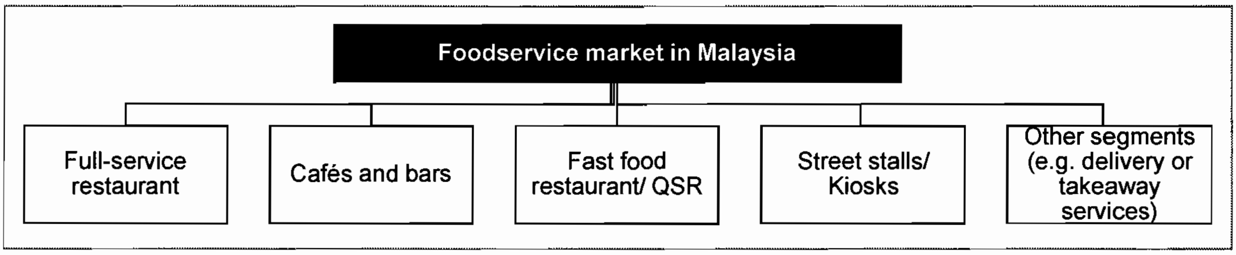
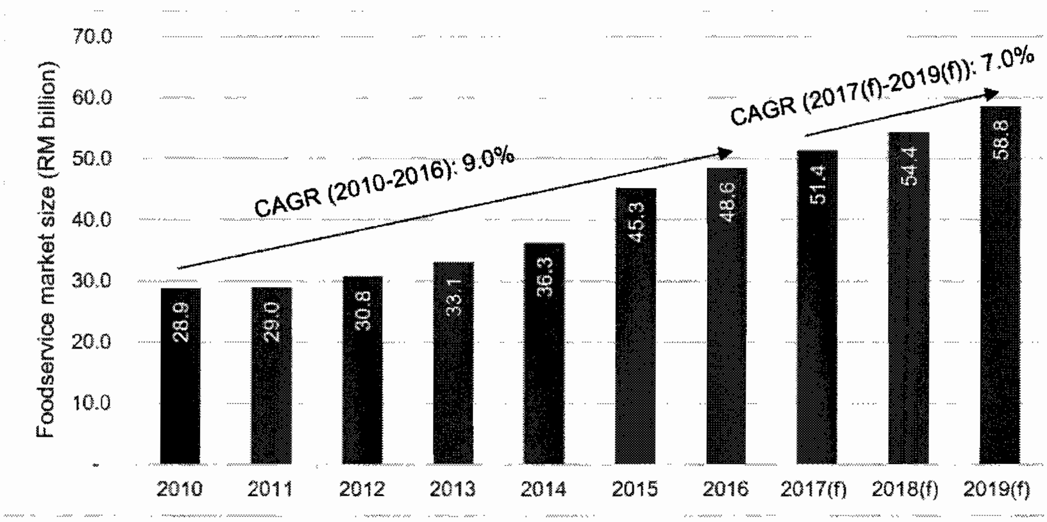
Segmentation of the foodservice market (Malaysia)



Note:-
This list is not exhaustive.

The foodservice market size in Malaysia grew, in terms of foodservice sales, from RM28.9 billion in 2010 to reach RM48.6 billion in 2016, registering a CAGR of 9.0%. Moving forward, Smith Zander expects the foodservice market size to grow at a CAGR of 7.0% to reach RM58.8 billion by 2019.

Foodservice market size (Malaysia), 2010-2019(f)



Note:-
(f) - Forecast

The growth in the foodservice market in Malaysia is expected to continue to be driven by the increasing disposable income and affluence, rising urbanisation, diverse cuisines and flourishing tourism market in Malaysia.

Malaysia is an upper-middle income developing economy, with its GDP per capita growing from RM28,733 in 2010 to an estimated RM37,812 in 2016. The increasing GDP per capita indicates a more affluent population with greater propensity to spend, which would in turn benefit the foodservice segment.

As a developing country, Malaysia also experiences rising urbanisation rates, which has led to increased employment rates and busier lifestyles amongst the working individuals. In addition, an increasing number of females have also joined the workforce. This has led to a growing need for convenient meal options and a culture of dining out in Malaysia, resulting in a greater demand for the foodservice market in the country. Further, the shift of population from rural to urban areas to seek for better employment opportunities has also led to a growing population in urban areas such as Klang Valley (which includes both Kuala Lumpur and Selangor), benefiting the foodservice market in these areas.

In addition, Malaysia is known to be culturally diverse with various cuisines available, thus providing consumers with a variety of dining options to suit different tastes and preferences. Thus, it has become a norm amongst Malaysians to gather with friends and family members at foodservice outlets to experience different cuisines. This culture, coupled with the affordability of foodservice in Malaysia, contributes to the continuous growth of the foodservice market.

Apart from the continuous demand from the local market, the foodservice market in Malaysia also stands to benefit from the foreign market as Malaysia is a popular destination for tourists. Tourist arrivals grew from 24.6 million in 2010 to 26.8 million in 2016, at a CAGR of 1.4%. From January 2017 to May 2017, tourist arrivals in Malaysia were recorded at 10.82 million. On an annualised basis, tourist arrivals in Malaysia is projected to reach 25.97 million for the full year of 2017.

(Source: Independent market research report dated 4 October 2017 prepared by Smith Zander)

7.6 MICE segment in Kuala Lumpur

The MICE industry encompasses venues specifically designed to hold functions, meetings, conferences and exhibitions:

Functions: typically involve the convening of individuals in a particular place for an event such as a wedding, celebration dinner or lunch and product launches.

Meetings: are organised to bring employees of a corporation together in a place, usually to discuss and share ideas, and solve problems. Examples of meetings include board/management/shareholder meetings, training seminars, as well as company retreats.

Conferences: are organised on a regular basis, usually by associations to bring attendees with common interests/purposes to the pre-determined venue, commonly for educational purposes; and

Exhibitions: allows corporations to showcase new products, services or information to interested attendees. As exhibitions are usually organised on a large scale, corporations interested to participate will have to purchase a booth space.

Demand for MICE venues in Malaysia has grown, supported by the government initiatives to support and boost the local MICE industry through the setting up of Malaysia Convention and Exhibition Bureau ("**MyCEB**") as well as the Sarawak Convention Bureau under the Ministry of Tourism and Culture Malaysia; and MICE venues located throughout the country of varying sizes and facilities to cater to different needs.

Based on Smith Zander's research, as at 26 September 2017, the take-up rate for function halls, with sizes of approximately 25,000 square feet or less, in Kuala Lumpur on Saturdays over the next three (3) months is approximately 82.8%(1). In other words, there is only 17.2% availability of these function halls over the next three (3) months, indicating the demand for such venues to hold social gatherings such as weddings and celebration dinners or lunches in Kuala Lumpur.

Note:-

(1) Based on ten (10) venues with function halls, with sizes of approximately 25,000 square feet or less, located in Kuala Lumpur.

Example of MICE venues in Kuala Lumpur are as listed below:

Examples of MICE venues (Kuala Lumpur)

Venue [1]	Size [2] (square feet)	Examples of events / exhibitions held
Berjaya Times Square Hotel	18,794	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM
Concorde Hotel Kuala Lumpur	9,064	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM
Grand Hyatt Kuala Lumpur	11,248	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM
Grand Millennium Hotel Kuala Lumpur	3,875	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM
JW Marriott Kuala Lumpur	9,779	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM
Kuala Lumpur Convention Centre [1]	25,705	• Exhibitions and exposition for home furnishings and baby products • Concerts • Conferences • Educational and career fairs • Scientific conferences and congresses
MATRADE Exhibition & Convention Centre [1]	13,778	• Online marketplace seminars • Seminars on investment opportunities in other countries, such as Cambodia, Vietnam, Japan and the United States
Putra World Trade Centre [1]	16,204	• Exhibitions and exposition for renovation, diving, rubber plastic mould and die, packaging and labelling food processing machinery and equipment, international sign and led and beauty products • Ramadan buffets
Renaissance Kuala Lumpur	15,392	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM

Venue (1)	Size (2) (square feet)	Examples of events / exhibitions held
Sheraton Imperial Kuala Lumpur	7,169	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM
Sime Darby Convention Centre	19,000	• Medical seminars • Corporate dinner/lunch • EGM and AGM • Weddings
The Westin Kuala Lumpur	6,613	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM
The Ritz Carlton, Kuala Lumpur	5,229	• Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • EGM and AGM

Notes:-

(1) The venue size refers to the size of the largest function hall in the venue.

(2) In general, the size of function halls in the venues listed above can be reduced to meet customers' requirements.

Moving forward, the MICE industry in Kuala Lumpur will likely gain from the positive long term economic growth prospects in Malaysia, as the country's GDP and disposable income continue to increase.

The growing affluence and propensity to spend in Malaysia as a result of the country's growing economy, will lead to greater spending power for social gatherings such as weddings and celebration dinners or lunches. The fact that it is common in Malaysia for middle and high income households in urban areas such as Kuala Lumpur and Selangor to hold such social gatherings in hotels and function halls will also continue to drive the growth of the MICE industry in Kuala Lumpur.

Further, the positive long term economic growth prospects in Malaysia also indicates growth amongst businesses and enterprises. As a result, these businesses and enterprises have a higher likelihood of having a larger budget for corporate functions such as EGM, AGM, seminars, corporate dinners or lunches, educational and career fairs and conferences.

In addition, Kuala Lumpur, which is the capital of Malaysia and one of the country's main cities, has a higher density of affluent population relative to other areas in Malaysia. This has resulted in Kuala Lumpur being one of the main hubs to hold concerts, events, exhibitions and fairs in Malaysia.

(Source: Independent market research report dated 4 October 2017 prepared by Smith Zander)

7.7 Agricultural technology industry

7.7.1 Global agricultural technology industry

Globally, agriculture is a USD2.4 trillion (RM9.4 trillion) industry and provides employment for 1.3 billion people worldwide as of 2015. The agriculture sector contributed to 3.8% of global GDP in 2015. It plays a major role in economic development particularly for developing nations, as it provides food security, raw materials for various other industries and provides gainful employment.

In order to produce more food while avoiding wastage of resources, the agricultural technology industry was developed. These technologies are evolving in order to maximise yield with minimum resources. The industry was also developed due to the increased emphasis on green technology, whereby there is more awareness about sustainability and resource wastage.

Agricultural technology, specifically precision agriculture, began in the 1980s when farmers implemented variable-rate application of fertilisers depending on grid-based samplings of soil fertility. This was later followed by crop yield monitoring systems based on Global Positioning System (GPS) technology to monitor and map yield variation within fields.

The global agricultural technology market, as calculated based on investment volume, grew from USD0.4 billion (RM1.3 billion) in 2010, to USD3.2 billion (RM13.3 billion) in 2016, at a strong CAGR of 41.4%. The global agricultural technology market dipped in 2016 in line with global venture capital markets, as investors exercise more caution in light of uncertainties surrounding major events such as the United Kingdom's European Union referendum and the United States of America's presidential elections. Furthermore, 2015 was a record year in terms of agricultural technology investments, as investments almost doubled compared to 2014.

<u>Key industry drivers, trends and development</u>

Continued growth in the global agriculture industry leads to demand for agricultural technology

The agricultural technology industry is driven by the growth of the global agriculture industry. Agricultural activities increase to meet food demands of a growing world population. However, it is a resource-intensive industry which exhausts natural resources such as land and water. Agriculture is estimated to use 70% of global water supply and almost 40% of total global land area. Furthermore, due to unsustainable farming practices, agriculture has been linked to pollution, deforestation, soil degradation and climate change.

Higher population growth rates were especially witnessed in developing countries, pressuring the agricultural industry to produce sufficient food and fibres to feed and clothe an increasing world population, as well as to increase the daily food intake of the existing undernourished population in underdeveloped countries. According to the Food and Agriculture Organisation of the United Nations ("**FAO**"), approximately 794.6 million people in the world, or 10.9% of the total world population, are undernourished. 98.2% of the undernourished population or about 779.9 million people live in developing nations. One of the Millennium Development Goals developed by the United Nations is the eradication of extreme poverty and hunger. The FAO is responsible for monitoring the progress made in relation to halving the prevalence of undernourishment between 1990 and 2015, which has almost been achieved.

Agriculture is a critical component of the economic development in developing nations, where it employs more people than any other industry and contributes to a large portion of national GDP. Countries in Africa such as Sierra Leone, Chad, Central African Republic, Burundi, Togo, Ethiopia and Mali depend on agriculture as it contributes to over 40% of their national GDP. This is because the majority of people in developing countries live in rural areas, which has more land on which agricultural activities may be conducted. Higher food availability as a result of agriculture will likely reduce the prevalence of undernourishment in these regions.

The world faces a shortage of resources such as arable land and fresh water, and is struggling to keep up with the need for food for the global population. As such, the advancement of agricultural technology provides ways of increasing output while fully utilising the resources available in the most efficient and productive way. Thus, agricultural technology also provides sustainability by promoting less wastage of resources.

Increased food needs as a result of rapid growth in population, economic affluence and changing consumption trends, presenting demand potential for agricultural technology

The global population currently stands at just under 7.4 billion persons, and is predicted to grow to 9.3 billion by 2050. The agricultural industry has seen a general uptrend in all major crop production within the last decade. The demand for food will increase significantly over the long term despite the slower population growth rate.

In line with global economic growth, there continues to be strong demand and higher prices for energy, primary commodities and food. Economic growth has a direct impact on income levels and is a catalyst for growth of meat product consumption. Between 2010 and 2016, global wealth, as depicted by GDP, increased from USD65.9 trillion (RM212.1 trillion) to USD75.6 trillion (RM313.4 trillion). GDP per capita increased by 6.9% from approximately USD9,509.4 (RM30,603.2) in 2010 to USD10,164.0 (RM42,136.9) in 2016. The growth in per capita income worldwide has led to a shift in dietary intake, which has moved away from staple product such as cereals, roots and tubers and pulses towards meat, vegetable oils, fruits and vegetables.

This increase in disposable income has led to a rise in a more affluent population that has greater spending power, creating demand for basic necessities and non-essential products. The increasing disposable income of the global population has a positive correlation on the demand for food, and specifically meat-based food products which are more costly and perceived to offer greater nutritional value.

Besides income, food preferences are also affected by factors such as food prices and access to social support. In addition, infrastructure is needed to ensure physical access to food, such as railway lines and paved roads.

7.7.2 Agricultural technology industry in Malaysia

The agriculture sector is a vital component of Malaysia's economy, where it provides gainful employment and food security for the population. In 2016, the GDP of the agriculture sector was RM89.3 billion, or 8.1% of national GDP. This is in comparison to 2010 where the GDP of the agriculture sector was RM82.9 billion, or 10.1% of national GDP. The GDP of the agriculture sector witnessed a CAGR of 1.2% between 2010 and 2016.

Over the period of 2010 and 2016, Malaysia's population increased from 28.6 million persons to 31.6 million persons at a CAGR of 1.7%. Population between birth and 64 years consistently comprised the largest portion, exceeding 90.0% of total population across all years. The population within this age group has high food and nutritional needs to fuel biological growth and physical activities.

Malaysia is a newly industrialised country with a growing economy and increasing wealth. Its GDP per capita is higher than in most Southeast Asian countries with the exception of Singapore and Brunei. The country is supported by a large productive population (aged 15 to 64 years) and a high employed segment, which contributes to the increasing wealth. The outlook for Malaysia's agricultural technology industry is promising on the back of increased demand for agriculture products such as meat, seafood, fruit and vegetables, as a result of economic affluence, growing population and changing consumption trends.

Plans, policies and stimuli by the Government of Malaysia

The outlook for Malaysia's agricultural technology industry will benefit from strong support from the Government of Malaysia to strengthen the agriculture industry, which plays an important role in the nation's economic development by providing rural employment, uplifting rural incomes and ensuring national food security. The various programmes and initiatives under the Economic Transformation Programme ("**ETP**") and the Eleventh Malaysia Plan ("**11MP**") which have been announced and/or put in place to promote national food security and ensuring self-sufficiency of agricultural products will bode well for the agriculture industry.

Under the ETP, the Government intends to transform agriculture into agribusiness, and move towards a model which is inclusive but simultaneously anchored on market-centricity, economies of scale and value chain integration. The ETP will adopt a holistic approach from breeding to distribution and encompass support services such as biotechnology and agriculture logistics where:

- in breeding, the use of technologies such as molecular markers will be accelerated to ensure crops and livestock have high-yield and disease-resistant attributes, longer shelf-lives and better taste and nutritional content.

- in downstream processing, emphasis will be given to higher-value products such as botanical drugs from herbs and ready-to-consume edible bird's nest products.

Under Budget 2017, the Government of Malaysia has identified several key areas to boost the agriculture industry. Among them is the allocation of RM100 million to implement the Agropreneur Programme for 3,000 young entrepreneurs, as well as providing subsidies and incentives to paddy farmers, rubber smallholders and fishermen amounting to RM2.1 billion. The agriculture industry will also benefit from other key areas such as the development of agriculture infrastructure, drainage and irrigation, farm roads and marketing of agricultural products; the implementation of high-impact programmes such as paddy estates, aquaculture integrated zone and cage fish farms; as well as the reduction of dependency on imported animal feed by cultivating more corn plantations.

The National Agro-Food Policy (2011-2020) was put into place to improve the efficiency, productivity and competitiveness of agro-food industries along the value chain, in line with turning Malaysia into a high-income nation by 2020. The Policy will encourage agricultural modernisation centred on research and development and innovations, in order to ensure that there will be sufficient and safe food supplies for the country as well as to increase the revenue of farmers and agro-entrepreneurs.

(Source: Independent market research report 4 October 2017 prepared by Smith Zander)

7.8 Prospects and future plans of the Group

The Group is primarily involved in technology incubation. The Group focused on nurturing new business ideas relating to the bioenergy industry by providing networking, technology and financial support. Since its inception in 2007, the Group has concentrated its investment activities in bio-based "green" technologies particularly in the biodiesel sector, due in part to the high oil prices then and the need of a renewable energy solution to reduce pollution.

Adopting a prudent and defensive investment strategy

With the slowdown of the world economy, the risk appetite of the Group began to change. As such, the Group expanded its investment coverage to include medium to long term investments (i.e. more than 5 years) in quoted securities since 2014.

This strategy essentially attempts to mitigate downside risks for the group of having to invest in non-marketable securities and aims to provide a more levelled rate of return to investors and Shareholders. The Group is of the view that investments in quoted securities were less risky as compared to the direct investment in unquoted incubatees / start-up companies which normally require longer gestation period. Further, as securities of listed companies are generally more liquid than securities in unquoted incubatees / start-up companies, investment in quoted securities enjoys easier divestment in the open market.

Collaboration with investee companies

Further to the adoption of a more prudent and defensive investment strategy, the Group is also focusing on medium term investment in marketable securities where there are some opportunities for collaboration or cross selling of products and services.

The Group expects that its corporate presence in the management of its investee companies will aid these investments in achieving a positive turnaround in the medium to long term.

Foray into oil and gas industry

As part of its effort to turnaround its financial performance, the Group's wholly-owned subsidiary, APSB had ventured into the oil and gas industry in November 2016 through a collaboration and appointment of preferred contractor agreement with Coral Alliance.

Coral Alliance is a top-side maintenance service provider in the oil and gas industry. Through this agreement, APSB will be the preferred and independent contractor to collaborate and undertake the work and/or services for the projects which may be awarded by Coral Alliance to APSB up to a contract value of RM30 million. As at the LPD, APSB has been awarded 2 contracts amounting to RM1.16 million, to be completed within 90 days from the respective contracts' date. Based on the percentage of works completed, APSB has billed and collected RM0.44 million for the mechanical engineering work for top-side maintenance completed up to the LPD.

In addition, APSB had entered into a memorandum of intent in February 2017 with Acme Chemicals (Malaysia) Sdn Bhd and Sejahtera Bumisama Sdn Bhd to cooperate and collaborate to set up an integrated chemical blending and warehouse facility to be based in Bintulu to specifically target multi-national well service companies supplying oilfield chemicals to oil and gas companies operating in Malaysia. The parties are expected to contribute the investment required according to the ratio to be mutually agreed upon entering into a definitive agreement for the above collaboration. As at the LPD, APSB is still in the midst of conducting feasibility studies on this collaboration. Upon the realisation of this collaboration, such investment is expected to contribute positively to the financial performance of the Group.

On 7 June 2017, APSB was awarded a letter of award by Tenisha Construction Sdn Bhd for the subcontracting work involving the design, erect, inspect, maintain and dismantle of scaffolding systems for the Utilities, Interconnecting, Office-site (UIO) facilities. Tenisha Construction Sdn Bhd is a Petronas-accredited service provider based in Johor that specialises in providing multi-disciplinary engineering and construction services in the oil & gas industry. The subcontracting work is expected to carry a value of RM220 million over a 30-month period, subject to the parties executing a subcontract agreement following the letter of award. As at the LPD, the parties involved are still at the stage of finalising the subcontract agreement for execution.

The Board anticipates that APSB will contribute positively to the Group in the medium to long term and is cautiously optimistic that the oil and gas sector will continue to be resilient which should augur well for APSB.

Fund raising exercise for further investments

Further, the Rights Issue of ICPS with Warrants is proposed to be undertaken mainly to raise funds to maintain its equity shareholdings in Focus and Vsolar. It is confident that its current investment strategy of preserving value via its medium to long term holdings in quoted strategic investments will mitigate further downside risk for its incubation fund, and once recovery in the economic environment gains momentum, the overall portfolio value will be enhanced.

The Group also intended to focus on identifying suitable incubatees within the agricultural technology sector as it is considered a high growth and high technology industry. In this connection, the Group proposed to allocate a portion of the proceeds to be raised from the Rights Issue of ICPS with Warrants for an incubator fund, details of which are set out in Section 5 of this Abridged Prospectus. Developments in agricultural technology increases the productivity of the agricultural industry and have the potential to spur economic growth and the Group is optimistic of the prospects in this sector.

Premised on the above, the Group is of the view that the renewable energy segment, F&B segment in Malaysia and the MICE segment in Kuala Lumpur and agricultural technology industry as set out above should augur well for the future performance of the incubatees and investee companies of the Group, hence improving the future financial performance of the Group.

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8. EFFECTS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

The pro forma effects of the Rights Issue of ICPS with Warrants are set out below:-

8.1 Share capital

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Share capital[1] as at the LPD	450,308,775	69,787,111	450,308,775	69,787,111	450,308,775	69,787,111
Arising from the full exercise of the outstanding Warrants A	-	-	-	-	[2]131,295,625	[2]39,722,140
	450,308,775	69,787,111	450,308,775	69,787,111	581,604,400	109,509,251
New Shares to be issued assuming full conversion of the ICPS	[3]62,500,000	10,000,000	[4]450,308,775	72,049,404	[5]1,163,208,800	186,113,408
	512,808,775	79,787,111	900,617,550	141,836,515	1,744,813,200	295,622,659
New Shares to be issued assuming full exercise of the Warrants B	[6]12,500,000	[7]3,546,250	[6]90,061,755	[7]25,550,520	[6]116,320,880	[7]33,000,233
Enlarged issued share capital	**525,308,775**	**83,333,361**	**990,679,305**	**167,387,035**	**1,861,134,080**	**328,622,892**

Notes:-

(1) Excluding any credit in the share premium and other capital reserves.

(2) Assuming the outstanding 131,295,625 Warrants A are exercised at the exercise price of RM0.30 each.

(3) Assuming all 125,000,000 ICPS issued under the Minimum Scenario are fully converted into 62,500,000 Shares based on the conversion mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share.

(4) Assuming all 900,617,550 ICPS issued under the Base Case Scenario are fully converted into 450,308,775 Shares based on the conversion mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share.

(5) Assuming all 1,163,208,800 ICPS issued under the Maximum Scenario are fully converted into 1,163,208,800 Shares based on the conversion mode of surrendering 1 ICPS (which is issued at an issue price of RM0.08 each) with additional cash payment of RM0.08 to arrive at the Conversion Price of RM0.16 for 1 new Share.

(6) The Warrants B, which are convertible into new Shares based on the conversion ratio of 1 new Share for every 1 Warrant B exercised, are issued on the basis of 1 Warrant B for every 10 ICPS subscribed for.

(7) Based on the exercise price of RM0.15 per Warrant B.

8.2 NA and gearing

Minimum Scenario

	Audited as at 31 March 2017 RM'000	(I) After adjusting for subsequent events[2] RM'000	(II) After (I) and Rights Issue of ICPS with Warrants[3][4] RM'000	(III) After (II) and assuming full conversion of ICPS[5] RM'000	(IV) After (III) and assuming full exercise of Warrants B[6] RM'000
Share capital	56,005	69,787	69,787	79,787	83,333
ICPS – Equity portion	-	-	10,000	-	-
Reserves[1]	(2,997)	(5,287)	(6,237)	(6,237)	(7,908)
Shareholders' equity / NA	53,008	64,500	73,550	73,550	75,425
Non-controlling interest	(1,562)	(1,562)	(1,562)	(1,562)	(1,562)
Total equity	**51,446**	**62,938**	**71,988**	**71,988**	**73,863**
No. of Shares in issue ('000)	1,113,383	450,309	450,309	512,809	525,309
NA per Share (RM)	0.05	0.14	0.16	0.14	0.14
Total borrowings (RM'000)	3,981	3,981	3,981	3,981	3,981
Gearing (times)[7]	0.08	0.06	0.05	0.05	0.05

Notes:-

(1) Reserves include share premium, warrants reserve, share option reserve and accumulated losses or retained profits.

(2) After adjusting for the following:-
   (i) a total of 163,184,000 SIS Options granted to eligible employees from 4 April 2017 to 28 July 2017;
   (ii) Previous Share Consolidation completed on 6 June 2017;
   (iii) issuance of new 43,000,000 Shares at an issue price of RM0.05 pursuant to the exercise of 43,000,000 SIS Options;
   (iv) issuance of new 27,665,500 Shares at an issue price of RM0.165 pursuant to the exercise of 27,665,500 SIS Options;
   (v) issuance of new 28,600,000 Shares at an issue price of RM0.14 pursuant to the exercise of 28,600,000 SIS Options; and
   (vi) issuance of new 8,584,000 Shares at an issue price of RM0.125 pursuant to the exercise of 8,584,000 SIS Options.

(3) Based on the minimum subscription level of 125,000,000 ICPS at an issue price of RM0.08 each together with 12,500,000 free Warrants B.

(4) After accounting for the warrants reserve based on the issuance of 12,500,000 Warrants B at an allocated fair value of RM0.1337 per Warrant B and deducting estimated expenses incidental to the Corporate Exercises of approximately RM950,000.
(5) Assuming all 125,000,000 ICPS issued under the Minimum Scenario are fully converted into 62,500,000 Shares based on the Conversion Mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share.
(6) Based on the exercise price of RM0.15 per Warrant B.
(7) Computed based on total borrowings divided by NA.

Base Case Scenario

	Audited as at 31 March 2017 RM'000	(I) After adjusting for subsequent events[(2)] RM'000	(II) After (I) and Rights Issue of ICPS with Warrants[(3)(4)] RM'000	(III) After (II) and assuming full conversion of ICPS[(5)] RM'000	(IV) After (III) and assuming full exercise of Warrants B[(6)] RM'000
Share capital	56,005	69,787	69,787	141,837	167,387
ICPS – Equity portion	-	-	72,049	-	-
Reserves[(1)]	(2,997)	(5,287)	(6,237)	(6,237)	(18,278)
Shareholders' equity / NA	53,008	64,500	135,599	135,599	149,109
Non-controlling interest	(1,562)	(1,562)	(1,562)	(1,562)	(1,562)
Total equity	**51,446**	**62,938**	**134,038**	**134,038**	**147,547**
No. of Shares in issue ('000)	1,113,383	450,309	450,309	900,618	990,679
NA per Share (RM)	0.05	0.14	0.30	0.15	0.15
Total borrowings (RM'000)	3,981	3,981	3,981	3,981	3,981
Gearing (times)[(7)]	0.08	0.06	0.03	0.03	0.03

Notes:-
(1) Reserves include share premium, warrants reserve, share option reserve and accumulated losses or retained profits.
(2) After adjusting for the following:-
(i) a total of 163,184,000 SIS Options granted to eligible employees from 4 April 2017 to 28 July 2017;
(ii) Previous Share Consolidation completed on 6 June 2017;
(iii) issuance of new 43,000,000 Shares at an issue price of RM0.05 pursuant to the exercise of 43,000,000 SIS Options;
(iv) issuance of new 27,665,500 Shares at an issue price of RM0.165 pursuant to the exercise of 27,665,500 SIS Options;
(v) issuance of new 28,600,000 Shares at an issue price of RM0.14 pursuant to the exercise of 28,600,000 SIS Options; and
(vi) issuance of new 8,584,000 Shares at an issue price of RM0.125 pursuant to the exercise of 8,584,000 SIS Options.

(3) Based on the full subscription level of 900,617,550 ICPS at an issue price of RM0.08 per ICPS together with 90,061,755 free Warrants B.
(4) After accounting for the warrants reserve based on the issuance of 90,061,755 Warrants B at an allocated fair value of RM0.1337 per Warrant B and deducting estimated expenses incidental to the Corporate Exercises of approximately RM950,000.
(5) Assuming all 900,617,550 ICPS issued under the Base Case Scenario are fully converted into 450,308,775 Shares based on the Conversion Mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share.
(6) Based on the exercise price of RM0.15 per Warrant B.
(7) Computed based on total borrowings divided by NA.

Maximum Scenario

Group level	**Audited as at 31 March 2017 (RM'000)**	**(I) After adjusting for subsequent events[2] (RM'000)**	**(II) After (I) and assuming full exercise of the Warrants A[3] (RM'000)**	**(III) After (II) and Rights Issue of ICPS with Warrants[4][5] (RM'000)**	**(IV) After (III) and assuming full conversion of ICPS[6] (RM'000)**	**(V) After (IV) and assuming full exercise of Warrants B[7] (RM'000)**
Share capital	56,005	69,787	109,509	109,509	295,623	328,623
ICPS – Equity portion	-	-	-	93,057	-	-
Reserves[1]	(2,997)	(5,287)	(5,621)	(6,571)	(6,571)	(22,123)
Shareholders' equity / NA	53,008	64,500	103,888	195,995	289,052	306,500
Non-controlling interest	(1,562)	(1,562)	(1,562)	(1,562)	(1,562)	(1,562)
Total equity	**51,446**	**62,938**	**102,326**	**194,434**	**287,490**	**304,939**
No. of Shares in issue ('000)	1,113,383	450,309	581,604	581,604	1,744,813	1,861,134
NA per Share (RM)	0.05	0.14	0.18	0.34	0.17	0.16
Total borrowings (RM'000)	3,981	3,981	3,981	3,981	3,981	3,981
Gearing ratio (times)[8]	0.08	0.06	0.04	0.02	0.01	0.01

Notes:-
(1) Reserves include share premium, warrants reserve, share option reserve and accumulated losses or retained profits.
(2) After adjusting for the following:-
(i) a total of 163,184,000 SIS Options granted to eligible employees from 4 April 2017 to 28 July 2017;
(ii) Previous Share Consolidation completed on 6 June 2017;

(iii) issuance of new 43,000,000 Shares at an issue price of RM0.05 pursuant to the exercise of 43,000,000 SIS Options;
(iv) issuance of new 27,665,500 Shares at an issue price of RM0.165 pursuant to the exercise of 27,665,500 SIS Options;
(v) issuance of new 28,600,000 Shares at an issue price of RM0.14 pursuant to the exercise of 28,600,000 SIS Options; and
(vi) issuance of new 8,584,000 Shares at an issue price of RM0.125 pursuant to the exercise of 8,584,000 SIS Options.

(3) Assuming all the outstanding Warrants A are exercised into new Shares at the exercise price of RM0.30 each after the Share Consolidation.
(4) Assuming all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements at an issue price of RM0.08 per ICPS.
(5) After accounting for the warrants reserve based on the issuance of 116,320,880 Warrants B at an allocated fair value of RM0.1337 per Warrant B and deducting estimated expenses incidental to the Corporate Exercises of approximately RM950,000.
(6) Assuming all 1,163,208,800 ICPS issued under the Maximum Scenario are fully converted into 1,163,208,800 Shares based on the Conversion Mode of surrendering 1 ICPS (which is issued at an issue price of RM0.08 each) with additional cash payment of RM0.08 to arrive at the Conversion Price of RM0.16 for 1 new Share.
(7) Based on the exercise price of RM0.15 per Warrant B.
(8) Computed based on total borrowings divided by NA.

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8.3 Substantial shareholders' shareholdings

The substantial shareholders of the Company based on the Register of Substantial Shareholders as at the LPD and the pro forma effects of the Rights Issue of ICPS with Warrants on their shareholdings are as follows:-

Minimum Scenario

Substantial shareholders	As at the LPD				(I) Assuming full conversion of ICPS[3]				(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	[1]%	No. of Shares	[1]%	No. of Shares	[4]%	No. of Shares	[4]%	No. of Shares	[5]%	No. of Shares	[5]%
CPE Growth Capital Limited	31,838,166	7.07	-	-	31,838,166	6.21	-	-	31,838,166	6.06	-	-
Adamas Finance Asia Limited	-	-	[2]31,838,166	[2]7.07	-	-	[2]31,838,166	[2]6.21	-	-	[2]31,838,166	[2]6.06
Pelaburan MARA Berhad	27,999,999	6.22	-	-	27,999,999	5.46	-	-	27,999,999	5.33	-	-
Tan Sik Eek	333,333	0.07	-	-	37,833,333	7.38	-	-	45,333,333	8.63	-	-
Leung Kok Keong	333,350	0.07	-	-	25,333,350	4.94	-	-	30,333,350	5.77	-	-

Notes:-

(1) Based on the issued share capital of 450,308,775 Shares.

(2) Deemed interest by virtue of its interest in its wholly-owned subsidiary, CPE Growth Capital Limited.

(3) Assuming all 125,000,000 ICPS issued under the Minimum Scenario are fully converted into 62,500,000 Shares based on the Conversion Mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share.

(4) Based on the enlarged issued share capital of 512,808,775 Shares.

(5) Based on the enlarged issued share capital of 525,308,775 Shares.

Base Case Scenario

Under the Base Case Scenario, the Undertaking Shareholders will not be substantial shareholders of the Company.

Substantial shareholders	As at the LPD				(I) Assuming full conversion of ICPS[3]				(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	[1]%	No. of Shares	[1]%	No. of Shares	[4]%	No. of Shares	[4]%	No. of Shares	[5]%	No. of Shares	[5]%
CPE Growth Capital Limited	31,838,166	7.07	-	-	63,676,332	7.07	-	-	70,043,965	7.07	-	-
Adamas Finance Asia Limited	-	-	[2]31,838,166	[2]7.07	-	-	[2]63,676,332	[2]7.07	-	-	[2]70,043,965	[2]7.07
Pelaburan MARA Berhad	27,999,999	6.22	-	-	55,999,998	6.22	-	-	61,599,997	6.22	-	-

Notes:-

(1) Based on the issued share capital of 450,308,775 Shares.

(2) Deemed interest by virtue of its interest in its wholly-owned subsidiary, CPE Growth Capital Limited.

(3) Assuming all 900,617,550 ICPS issued under the Base Case Scenario are fully converted into 450,308,775 Shares based on the Conversion Mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share without additional cash payment.

(4) Based on the enlarged issued share capital of 900,617,550 Shares.

(5) Based on the enlarged issued share capital of 990,679,305 Shares.

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Maximum Scenario

Under the Maximum Scenario, the Undertaking Shareholders will not be substantial shareholders of the Company.

Substantial shareholders	As at the LPD				(I) Assuming full exercise of the Warrants A				(II) After (I) and the assuming full conversion of ICPS[4]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	[1]%	No. of Shares	[1]%	No. of Shares	[3]%	No. of Shares	[3]%	No. of Shares	[5]%	No. of Shares	[5]%
CPE Growth Capital Limited	31,838,166	7.07	-	-	31,838,166	5.47	-	-	95,514,498	5.47	-	-
Adamas Finance Asia Limited	-	-	[2]31,838,166	[2]7.07	-	-	[2]31,838,166	[2]5.47	-	-	[2]95,514,498	[2]5.47
Pelaburan MARA Berhad	27,999,999	6.22	-	-	27,999,999	4.81	-	-	83,999,997	4.81	-	-

Substantial shareholders	(III) After (II) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	[6]%	No. of Shares	[6]%
CPE Growth Capital Limited	101,882,131	5.47	-	-
Adamas Finance Asia Limited	-	-	[2]101,882,131	[2]5.47
Pelaburan MARA Berhad	89,599,996	4.81	-	-

Notes:-

(1) Based on the issued share capital of 450,308,775 Shares.

(2) Deemed interest by virtue of its interest in its wholly-owned subsidiary, CPE Growth Capital Limited.

(3) Based on the enlarged issued share capital of 581,604,400 Shares.

(4) Assuming all 1,163,208,800 ICPS issued under the Maximum Scenario are fully converted into 1,163,208,800 Shares based on the Conversion Mode of surrendering 1 ICPS (which is issued at an issue price of RM0.08 each) with additional cash payment of RM0.08 to arrive at the Conversion Price of RM0.16 for 1 new Share.

(5) Based on the enlarged issued share capital of 1,744,813,200 Shares.

(6) Based on the enlarged issued share capital of 1,861,134,080 Shares.

8.4 Earnings and EPS

The Board expects the Rights Issue of ICPS with Warrants to contribute positively to the future earnings of the Group via the utilisation of proceeds.

Subsequent to the completion of the Rights Issue of ICPS with Warrants, the EPS of the Group shall be correspondingly diluted as a result of the increase in the number of Shares arising from the conversion of the ICPS during the Conversion Period as well as the new Shares arising from the exercise of the Warrants B during the Exercise Period.

The potential effects of the conversion of the ICPS and the exercise of the Warrants B on the future consolidated earnings and EPS of the Company will depend on, amongst others, the Conversion Mode of the ICPS to be chosen by the holders of the ICPS during the Conversion Period and any additional contributions to earnings that may be derived from the utilisation of proceeds received from the conversion of the ICPS with cash option and exercise of the Warrants B as well as the number of Warrants B exercised at any point in time.

8.5 Convertible securities

As at the LPD, save for the outstanding Warrants A, Asiabio does not have any other outstanding convertible securities.

Pursuant to the adjustment formula as set out in the Deed Poll A and based on the issue price of the ICPS as well as the last transacted price of the Shares on the market day immediately preceding the date of first announcement of the Rights Issue with Warrants, there will be no adjustment to the exercise price and number of Warrants A arising from the Rights Issue of ICPS with Warrants.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

The Board is of the opinion that, after taking into consideration the Group's financial position, the funds generated from the Group's operations and the banking facilities available to the Group, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, the Group's total outstanding borrowings (all of which are interest bearing and denominated in USD) are set out as follows:-

Borrowings	Total (USD'000)	Total (RM'000)[1]
Equity line financing granted by a licensed financial institution in Australia for the Group's investment in quoted securities outside Malaysia, which are held on behalf by this licensed financial institution[2]	709	2,997

Notes:-

(1) Translated based on BNM's exchange rate of USD1:RM4.2265 as at the LPD.

(2) This bears an effective interest rate at LIBOR (London Interbank Offered Rate) + 3% per annum and is repayable on demand.

There has not been any default on payments of either interest and/or principal sums on any of the Group's borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, save as disclosed below, there are no other contingent liabilities:-

Item	Amount (RM'000)
Corporate guarantee given by Asiabio for its wholly-owned subsidiary, APSB to 2 of APSB's suppliers in relation to supply contracts entered into between APSB and these suppliers	3,541

9.4 Material commitments

As at the LPD, there are no material commitments incurred that have not been provided for.

10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess ICPS with Warrants B Applications and the procedures to be followed should you and/or your transferee(s) and/or your renouncee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renouncee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue of ICPS with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such ICPS with Warrants B that you have been provisionally allotted as well as to apply for Excess ICPS with Warrants B if you choose to do so. This Abridged Prospectus and the RSF are also available at the Registered Office, the Share Registrar or on Bursa Securities' website (http://www.bursamalaysia.com).

10.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your transferee(s) and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

10.3 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at the following address:-

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

OR

Tricor Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : +603 - 2783 9299
Fax : +603 - 2783 9222

so as to arrive not later than 5.00 p.m. on **Friday, 24 November 2017**, being the last date and time for the acceptance and payment for the ICPS with Warrants B.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from the Registered Office, the Share Registrar or Bursa Securities' website (http://www.bursamalaysia.com).

1 RSF must be used for acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. The ICPS with Warrants B accepted by you will be credited into the CDS Account(s) where the Provisional Allotments are standing to the credit.

Successful applicants to the ICPS with Warrants B will be given the Warrants B on the basis of 1 Warrant B for every 2 ICPS successfully subscribed for. The minimum number of ICPS with Warrants B that can be accepted is 2 ICPS with 1 Warrant B. However, you should take note that a trading board lot comprises 100 Shares. Fractions of a ICPS and/or Warrant B arising from the Rights Issue of ICPS with Warrants will be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the ICPS accepted in the form of a banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia and which must be made payable to **"ASIABIO RIGHTS ISSUE ACCOUNT"**, crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name in block letters, contact number, address and your CDS Account number, and must be received by the Share Registrar by 5.00 p.m. on **Friday, 24 November 2017**. The payment must be made for the exact amount payable for the ICPS accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

PROOF OF POSTAGE SHALL NOT CONSTITUTE PROOF OF RECEIPT BY OUR SHARE REGISTRAR OR THE COMPANY.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL ICPS AND WARRANTS B TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF ICPS WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH ICPS AND THE WARRANTS B INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR TRANSFEREE(S) AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on **Friday, 24 November 2017**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any ICPS with Warrants B not taken up or not validly taken up to applicants applying for the Excess ICPS with Warrants B in the manner as set out in Section 10.6 of this Abridged Prospectus.

10.4 Procedures for part acceptance

If you do not wish to accept the ICPS with Warrants B provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed / applied for. The minimum number of ICPS with Warrants B that may be accepted is 2 ICPS with 1 Warrant B. Fractions of a ICPS and Warrant B arising from the Rights Issue of ICPS with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interests of the Company. Applicants should take note that a trading board lot comprises 100 Shares and 100 warrants respectively.

You must complete both Part I(A) of the RSF by specifying the number of ICPS with Warrants B which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 10.3 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.5 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the ICPS with Warrants B applied for to the Share Registrar. Please refer to Section 10.3 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

10.6 Procedures for the Excess ICPS with Warrants B Application

If you wish to apply for additional ICPS with Warrants B in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess ICPS with Warrants B applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on **Friday, 24 November 2017**, being the last time and date for Excess ICPS with Warrants B Applications and payment.

Payment for the Excess ICPS with Warrants B Application(s) be made in the same manner as set out in Section 10.3 of this Abridged Prospectus except that the banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia must be made payable to **"ASIABIO EXCESS RIGHTS ISSUE ACCOUNT"**, crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by our Share Registrar by 5.00 p.m. on **Friday, 24 November 2017**. The payment must be made for the exact amount payable for the Excess ICPS with Warrants B Application(s). Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

It is the intention of the Board to allot the Excess ICPS with Warrants B, if any, in a fair and equitable manner in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants B, based on their respective shareholdings in the Company as at the Entitlement Date;

(iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants B, based on the quantum of their respective excess application; and

(iv) finally, on a pro-rata basis and in board lots, to the renouncee(s) who have applied for Excess ICPS with Warrants B, based on the quantum of their respective excess application.

The Excess ICPS with Warrants B will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess ICPS with Warrants B. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess ICPS with Warrants B will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess ICPS with Warrants B are allotted.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess ICPS with Warrants B applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 10.6 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right to allot any Excess ICPS with Warrants B Application, in full or in part, without assigning any reason thereof.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS ICPS WITH WARRANTS B APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

EXCESS ICPS WITH WARRANTS B APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS ICPS WITH WARRANTS B APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.7 Procedures to be followed by transferee(s) and/or renouncee(s)

As a transferee and/or renouncee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess ICPS with Warrants B and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 10.3 to 10.6 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of Asiabio, the Share Registrar or Bursa Securities' website (http://www.bursamalaysia.com).

TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.8 CDS Account

Bursa Securities has already prescribed the Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue of ICPS with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the ICPS with Warrants B. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the ICPS with Warrants B shall signify your consent to receiving such ICPS with Warrants B as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess ICPS with Warrants B allotted shall be credited directly into the CDS Accounts of successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the ICPS with Warrants B that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

10.9 Foreign-Addressed Shareholders

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the ICPS with Warrants B may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue of ICPS with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any ICPS, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue of ICPS with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to our Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

If you are a Foreign-Addressed Shareholder, the Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. The Company will assume that the Rights Issue of ICPS with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue of ICPS with Warrants and would not be in breach of the laws of any jurisdiction. The Company will further assume that you had accepted the Rights Issue of ICPS with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue of ICPS with Warrants only to the extent that it would be lawful to do so, and the Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue of ICPS with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue of ICPS with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

The Company reserves the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of ICPS with Warrants B available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renouncee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the ICPS with Warrants B, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue of ICPS with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renouncee(s) is or might be subject to;

(ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is or might be subject to in connection with the acceptance or renunciation;

(iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;

(iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is/are aware that the ICPS with Warrants B can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;

(v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renouncee's decision to subscribe for or purchase the ICPS and Warrants B; and

(vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ICPS and Warrants B, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the ICPS and Warrants B.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY ICPS AND WARRANTS B UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

11. TERMS AND CONDITIONS

The issuance of the ICPS with Warrants B pursuant to the Rights Issue of ICPS with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll B, the NPA and RSF.

12. FURTHER INFORMATION

You are requested to refer to the enclosed Appendices for further information.

Yours faithfully
For and on behalf of the Board of
ASIA BIOENERGY TECHNOLOGIES BERHAD

TAN SIK EEK
Executive Director

APPENDIX I - INFORMATION ON THE COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Asiabio was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 24 May 2007. The Company had converted from a private limited company to a public limited company on 26 October 2007. The Company was listed on the MESDAQ Market of the Kuala Lumpur Stock Exchange (now known as the ACE Market of Bursa Securities) on 12 December 2008.

The principal activities of Asiabio are technology incubation and investment holding. The principal activities of Asiabio's subsidiaries are set out in Section 5 of this Appendix I.

2. SHARE CAPITAL

The Company's share capital as at the LPD is as follows:-

	No. of Shares	Total (RM)
Share capital	450,308,775	69,787,111

Details of the changes in the Company's issued share capital for the last 3 years prior to the LPD are as follows:-

Date of allotment	No of Shares allotted	Consideration / Type of issue	Cumulative share capital (RM)
26.1.2015	1,400,000	Exercise of Warrants A	84,180,000
28.1.2015	1,130,000	Exercise of Warrants A	84,293,000
5.2.2015	2,500,000	Exercise of Warrants A	84,543,000
9.2.2015	8,225,000	Exercise of Warrants A	85,365,500
12.2.2015	8,837,600	Exercise of Warrants A	86,249,260
16.2.2015	2,982,000	Exercise of Warrants A	86,547,460
24.2.2015	1,237,000	Exercise of Warrants A	86,671,160
21.4.2016	-	Par value reduction via the cancellation of RM0.05 of the par value of every ordinary shares of RM0.10 each in the issued and paid-up share capital of the Company	43,335,580
31.5.2016	86,671,000	Private placement of up to 86,671,000 new Asiabio Shares at an issue price of RM0.05 each	47,669,130

Date of allotment	No of Shares allotted	Consideration / Type of issue	Cumulative share capital (RM)
27.10.2016	80,000,000	Cash / Exercise of SIS Options	51,669,130
24.11.2016	40,000,000	Cash / Exercise of SIS Options	53,669,130
29.3.2017	40,000,000	Cash / Exercise of SIS Options	56,005,130
4.5.2017	43,000,000	Cash / Exercise of SIS Options	58,555,030
7.6.2017	27,665,500	Cash / Exercise of SIS Options	63,983,038
11.7.2017	28,600,000	Cash / Exercise of SIS Options	68,581,918
1.8.2017	8,584,000	Cash / Exercise of SIS Options	69,787,111

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.3 of this Abridged Prospectus for information on the substantial shareholders' shareholdings before and after the Rights Issue of ICPS with Warrants.

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4. DIRECTORS

The details of the Board as at the LPD are as follows:-

Name *(Designation)*	Age	Address	Nationality	Profession
Dato' Seri Abdul Azim Bin Mohd Zabidi *(Independent Non-Executive Chairman)*	58	Tanah Abang No. 1 Jalan Setiabudi Bukit Damansara 50490 Kuala Lumpur	Malaysian	Company Director
Chu Chee Peng *(Senior Independent Non-Executive Director)*	46	No. 3A, Jalan SP4 Taman Saujana Palma 43000 Kajang Selangor Darul Ehsan	Malaysian	Company Director
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Non-Independent Non-Executive Director)*	48	No. 1, Jalan Mewah 1 Kemensah Heights 68000 Ampang Selangor Darul Ehsan	Malaysian	Chief Operating Officer of Pelaburan MARA Berhad
Ong Tee Kein *(Independent Non-Executive Director)*	60	85, Medan Athinahapan Dua Taman Tun Dr. Ismail 60000 Kuala Lumpur	Malaysian	Company Director
Leung Kok Keong *(Executive Director)*	50	8, Jalan SS2/8A 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Tan Sik Eek *(Executive Director)*	41	Unit D16-15, 16th Floor Residency @ Park 51 Jalan 51A/241, Seksyen 51A 47000 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

Save as disclosed below, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD.

Minimum Scenario

Directors	As at the LPD				(I) Assuming full conversion of ICPS[(2)]				(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	[(1)]%	No. of Shares	[(1)]%	No. of Shares	[(3)]%	No. of Shares	[(3)]%	No. of Shares	[(4)]%	No. of Shares	[(4)]%
Tan Sik Eek	333,333	0.07	-	-	37,833,333	7.38	-	-	45,333,333	8.63	-	-
Leung Kok Keong	333,350	0.07	-	-	25,333,350	4.94	-	-	30,333,350	5.77	-	-

Notes:-

(1) Based on the issued share capital of 450,308,775 Shares.

(2) Assuming all 125,000,000 ICPS issued under the Minimum Scenario are fully converted into 62,500,000 Shares based on the Conversion Mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share.

(3) Based on the enlarged issued share capital of 512,808,775 Shares.

(4) Based on the enlarged issued share capital of 525,308,775 Shares.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

Base Case Scenario

Directors	As at the LPD				(I) Assuming full conversion of ICPS[2]				(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	[1]%	No. of Shares	[1]%	No. of Shares	[3]%	No. of Shares	[3]%	No. of Shares	[4]%	No. of Shares	[4]%
Tan Sik Eek	333,333	0.07	-	-	666,666	0.07	-	-	733,332	0.07	-	-
Leung Kok Keong	333,350	0.07	-	-	666,700	0.07	-	-	733,370	0.07	-	-

Notes:-

(1) Based on the issued share capital of 450,308,775 Shares.

(2) Assuming all 900,617,550 ICPS issued under the Base Case Scenario are fully converted into 450,308,775 Shares based on the Conversion Mode of surrendering 2 ICPS (which are issued at an issue price of RM0.08 each) without additional cash payment to arrive at the Conversion Price of RM0.16 for 1 new Share without additional cash payment.

(3) Based on the enlarged issued share capital of 900,617,550 Shares.

(4) Based on the enlarged issued share capital of 990,679,305 Shares.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

Maximum Scenario

Directors	As at the LPD				(I) Assuming full exercise of the Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	[(1)]%	No. of Shares	[(1)]%	No. of Shares	[(2)]%	No. of Shares	[(2)]%
Tan Sik Eek	333,333	0.07	-	-	333,333	0.06	-	-
Leung Kok Keong	333,350	0.07	-	-	333,350	0.06	-	-

Directors	(II) After (I) and the assuming full conversion of ICPS[(3)]				(III) After (II) and assuming full exercise of Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	[(4)]%	No. of Shares	[(4)]%	No. of Shares	[(5)]%	No. of Shares	[(5)]%
Tan Sik Eek	999,999	0.06	-	-	1,066,665	0.06	-	-
Leung Kok Keong	1,000,050	0.06	-	-	1,066,720	0.06	-	-

Notes:-

(1) Based on the issued share capital of 450,308,775 Shares.

(2) Based on the enlarged issued share capital of 581,604,400 Shares.

(3) Assuming all 1,163,208,800 ICPS issued under the Maximum Scenario are fully converted into 1,163,208,800 Shares based on the Conversion Mode of surrendering 1 ICPS (which is issued at an issue price of RM0.08 each) with additional cash payment of RM0.08 to arrive at the Conversion Price of RM0.16 for 1 new Share.

(4) Based on the enlarged issued share capital of 1,744,813,200 Shares.

(5) Based on the enlarged issued share capital of 1,861,134,080 Shares.

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5. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, Asiabio does not have any associated companies. The Company's subsidiaries as at the LPD are as follows:-

Name of company	Date and place of incorporation	Share capital	Effective equity interest (%)	Principal activities
Eco-Sponge Sdn Bhd	21.8.2007; Malaysia	RM100,000	100.00	Engaged in the manufacturing and trading of absorbent chemical compound and other related services and trading of fertilizer related products.
Asiabio Capital Sdn Bhd	28.11.2008; Malaysia	RM6,021,000	100.00	Investing and trading in quoted securities and related activities.
Hexa Bonanza Sdn Bhd	4.11.2010; Malaysia	RM199,999	50.01	Contractor and technology provider for biomass pelletizing and related equipment.
Asiabio Petroleum Sdn Bhd	10.10.2014; Malaysia	RM2	100.00	Engaged in the business of providing engineering and maintenance services specifically for the oil and gas sector.
Artisan Semesta Sdn Bhd	5.5.2011; Malaysia	RM50,000	100.00	Manufacturing and trading in agricultural related products and supplying solar photovoltaic energy.
Asiabio Builders Sdn Bhd (formerly known as Goodwill Selected Sdn Bhd)	2.5.2017; Malaysia	RM1	100.00	Dormant
Perfect Power Group Limited	26.5.2017; British Virgin Island	USD100	100.00	Investing and trading in quoted securities and related activities.
Subsidiary of Asiabio Petroleum Sdn Bhd				
Tenisha Asiabio Petroleum Sdn Bhd (formerly known as Matrix Concord Sdn Bhd)	2.5.2017; Malaysia	RM1	100.00	Dormant

6. PROFIT AND DIVIDEND RECORD

The profit and dividend records based on the audited consolidated financial statements of the Group for the 14-month FPE 31 March 2015, FYE 31 March 2016, FYE 31 March 2017 and the latest unaudited consolidated financial statements for the 3-month FPE 30 June 2016 and 3-month FPE 30 June 2017 are as follows:-

	Audited			Unaudited	
	[(1)]14-month FPE 31 March 2015	FYE 31 March 2016	FYE 31 March 2017	3-month FPE 30 June 2016	3-month FPE 30 June 2017
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	53,233	9,518	5,354	1,507	1,909
Cost of sales	(54,011)	(10,766)	(5,788)	(1,947)	(2,260)
Gross loss	**(778)**	**(1,248)**	**(434)**	**(440)**	**(351)**
Other operating income	4,744	40	4,246	3	43,797
Administrative expenses	(2,910)	(5,332)	(1,008)	(586)	(3,927)
Other operating expenses	(5,011)	(22,274)	(642)	(6,660)	(345)
Finance cost	(6)	(14)	(40)	(6)	(101)
(LBT) / PBT	**(3,961)**	**(28,828)**	**2,122**	**(7,689)**	**39,073**
Income tax expense	-	-	-	-	-
(LAT) / PAT	**(3,961)**	**(28,828)**	**2,122**	**(7,689)**	**39,073**
(Loss) / Profit attributable to:-					
- owners of the parent	(3,775)	(27,432)	2,146	(7,683)	39,088
- minority interest	(186)	(1,396)	(24)	(6)	(15)
(Loss) / Earnings before interest, tax, depreciation and armortisation	(2,873)	(27,186)	3,212	(7,421)	39,433
Gross loss margin (%)	(1.5)	(13.1)	(8.1)	(29.2)	(18.4)
(LAT) / PAT margin (%)	(7.4)	(302.9)	39.6	(510.2)	2,046.8
Weighted average number of Shares ('000)	758,282	866,712	986,934	896,237	402,394
LPS / EPS					
- basic (sen)	(0.50)	(3.17)	0.22	(0.86)	9.71
- diluted (sen)	[(2)]-	[(2)]-	0.16	[(2)]-	7.32

Notes:-

(1) The Company had changed its financial year end from 31 January to 31 March during the financial period.

(2) Diluted EPS is not presented as the conversion of outstanding Warrants A to Shares would be anti-dilutive.

Commentary on past financial performance:-

(i) FYE 31 March 2016 vs. 14-month FPE 31 March 2015

The Group's revenue decreased by RM43.72 million or 82.12% for the FYE 31 March 2016 as compared to 14-month FPE 31 March 2015. The decrease in revenue was mainly due to lower sale transactions for the Group's investments in quoted securities. This was mainly due to unfavourable market conditions arising from weakening of the RM, market uncertainties as well as weaker investor sentiments.

As a result, the Group recorded a higher gross loss margin of 13.1% in the FYE 31 March 2016 as compared to the gross loss margin of 1.5% recorded in the 14-month FPE 31 March 2015.

The Group's LAT increased by RM24.87 million or 627.80% mainly due to the following:-

(a) fair value loss on quoted securities held by the Group of RM12.96 million recorded in the FYE 31 March 2016 (14-month FPE 31 March 2015: Nil) arising from the reduction in market prices of such quoted securities following the unfavourable market conditions as stated above;

(b) share option expenses of RM3.07 million incurred in the FYE 31 March 2016 (14-month FPE 31 March 2015: Nil) resulting from the granting of SIS Options during the said financial year;

(c) impairment loss on property, plant and equipment of RM2.12 million recorded in the FYE 31 March 2016 (14-month FPE 31 March 2015: Nil). This relates to plant and machinery owned by Hexa Bonanza Sdn Bhd ("**Hexa**"), one of the Group's incubatee companies. In 2013, Hexa had set up a manufacturing facility in Kota Tinggi, Johor to produce oil palm trunk peeled lumber. However, due to manpower issues and the lack of a supply offtake agreement, the commencement of the operation of the facility was stalled. Hence, the estimated future economic benefits to be generated from the plant and equipment at the said manufacturing facility was assessed to be lower than their carrying amount, giving rise to an impairment loss of RM2.12 million; and

(d) higher impairment loss on investments in investee companies of RM4.96 million recorded in the FYE 31 March 2016 (14-month FPE 31 March 2015: RM4.20 million). The loss of RM4.96 million arises as the unaudited net assets of YPJ Palm International Sdn Bhd ("**YPJ Palm**") were lower than the carrying amount of investment. The impaired financial condition and business prospects of YPJ Palm resulted from weaker demand for its biodiesel products and palm oil refinery services.

(ii) FYE 31 March 2017 vs. FYE 31 March 2016

The Group's revenue for the FYE 31 March 2017 decreased by 43.8% as compared to FYE 31 March 2016. The decrease in revenue was mainly due to lower number of sale transactions for the Group's investments in quoted securities. This was due to the Group adopting a longer investment horizon for its investments in quoted securities (medium to long term i.e. more than 5 years).

Notwithstanding the lower revenue, the Group recorded a PAT of RM2.12 million in the FYE 31 March 2017 as compared to LAT of RM28.83 million in the FYE 31 March 2016. This was mainly due to the following:-

(a) fair value gain on quoted securities held by the Group of RM4.03 million (FYE 31 March 2016: loss of RM12.96 million) arising from the increase in market prices of such quoted securities following the improvement in market conditions as compared to the previous financial year;

(b) reversal of share option expense of RM3.07 million in the FYE 31 March 2017 following the cancellation of 83,000,000 SIS Options granted during the previous financial year. However, this was partly offset by the recognition of share option expense of RM1.61 million following the granting of 160,000,000 SIS Options during the FYE 31 March 2017. Arising therefrom, the net impact is a gain of RM1.46 million recorded in the FYE 31 March 2017; and

(c) impairment losses on investee companies (RM4.96 million) and property, plant and equipment (RM2.12 million) recorded in the previous FYE 31 March 2016 as compared to nil in the FYE 31 March 2017.

(iii) 3-month FPE 30 June 2017 vs. 3-month FPE 30 June 2016

The Group's revenue increased by 26.7% for the 3-month FPE 30 June 2017 as compared to the previous corresponding quarter. This was mainly due to higher number of quoted securities sold during the 3-month FPE 30 June 2017.

The Group recorded a PAT of RM39.07 million for the 3-month FPE 30 June 2017 as compared to a LAT of RM7.42 million for the previous corresponding period. This was mainly due to fair value gain on quoted securities held by the Group of RM43.49 million (3-month FPE 30 June 2016: loss of RM6.63 million) arising from the increase in market prices of such quoted securities following favourable market conditions.

However, the above was partially offset by the higher administrative expenses of RM3.93 million in the 3-month FPE 30 June 2017 as compared to RM0.59 million in the previous financial year, which was mainly due to the following:-

(a) share option expenses of RM1.26 million incurred in the 3-month FPE 30 June 2017 (3-month FPE 30 June 2016: Nil) resulting from the granting of SIS Options during the said financial period; and

(b) marketing expenses of RM1.85 million incurred in the 3-month FPE 30 June 2017 (3-month FPE 30 June 2016: Nil) for the marketing strategy by the Group to promote and create brand awareness for its oil and gas services business.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

7. LIST OF INCUBATEES

	Name	Description / Principal activities	Share capital / Cost of investment	Effective equity interest (%)	Products	Status
(a)	Eco-Sponge Sdn Bhd	Engaged in the manufacturing and trading of absorbent chemical compound and other related services and trading of fertilizer related products.	RM100,000 / RM2,625,003	100.0	Effective microbes for use as supplement to fertilizers	Previously engaged in the manufacturing and trading of absorbent chemical compound which then ceased due to the lack of market. Ventured into the trading of fertilizer related products which commenced in 2012, generating sales of RM135,600 ever since. Presently encountering a slowdown in sales due to difficulties in penetrating a market that is traditionally chemical fertiliser orientated.
(b)	Hexa Bonanza Sdn Bhd ("**Hexa**")	Contractor and technology provider for biomass pelletizing and related equipment.	RM199,999 / RM2,450,000	50.0	Biopelletising, handling and related equipment, oil palm trunk peeled lumber	Since its inception, it has developed and commercialised products such as biopelletising, handling and related equipment which have generated machinery and project sales of approximately RM3.01 million entirely from the domestic market. In 2013, Hexa has set up a manufacturing facility in Kota Tinggi, Johor to cater for its expansion into oil palm trunk peeled lumber manufacturing which is targeted entirely for the foreign market (i.e., China). However, due to manpower issues and the lack of a supply offtake agreement, the commencement of the operation of the facility was stalled. Hexa plans to relocate the facility to a more suitable site closer to oil palm plantations in Johor as well as for an outsource of operations to a third party. As at the LPD, Hexa is still in the midst of resolving the relocation and outsource matters and expects to resolve these matter by the fourth quarter of 2017.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

	Name	Description / Principal activities	Share capital / Cost of investment	Effective equity interest (%)	Products	Status
(c)	Nexfuel Sdn Bhd ("**Nexfuel**")	Investment holding, engineering work and services, and supply of biomass composting and processing machineries	RM725,000 / RM4,004,000	19.9	Biomass composting and processing equipment's and machineries	Commercialised since 2009 with sales to Hexa as its only customer as at the LPD. Presently inactive due to the lack of sales and progress made by Hexa. Nexfuel intends to re-activate its business by bringing in suitable candidates to oversee the operations of the company, including sales. At present, the company is still in the midst of seeking suitable candidates to oversee its operations.
(d)	APSB	Engaged in the business of providing engineering and maintenance services specifically for the oil and gas sector.	RM2 / RM3,002	100.0	N/A	Please refer to Section 7.8 of this Abridged Prospectus for further details.
(e)	ASSB	Manufacturing and trading in agricultural related products and supplying solar photovoltaic energy.	RM50,000 / RM50,000	100.0	N/A	ASSB is presently collaborating with SISB (a wholly-owned subsidiary of Vsolar) in study of the planting and intercropping of food crops utilising effective micro-organism products at SISB's photovoltaic energy generation sites. SISB had completed its first cycle of testing in early 2016 with a harvest of chilies and cabbage and more tests are being drawn to identify a more optimum use of the space beneath the solar panels including the possible introduction of aquaponics as a solution. Asiabio intends to commercialise the above via a joint venture company with Vsolar or SISB upon the completion of the feasibility studies, details of which will be determined at a later stage. SISB, via its existing photovoltaic energy project sites as mentioned above, is able to make available food crop planting space within the sites to enable ASSB and SISB to jointly plant produce viable food crop. Asiabio has taken an active role in the collaboration with the appointment of Asiabio's Executive Director, namely Leung Kok Keong, to the board of directors of Vsolar as an Executive Director on 29 September 2015.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Asiabio Shares traded on Bursa Securities for the past 12 months up to September 2017 (being the last full trading month prior to the date of this Abridged Prospectus) are as follows:-

	High (RM)	Low (RM)
2016		
October	0.055	0.045
November	0.060	0.045
December	0.060	0.050
2017		
January	0.060	0.050
February	0.080	0.050
March	0.065	0.050
April	0.065	0.050
May	0.075	0.050
June	(1)0.220	(1)0.150
July	0.165	0.130
August	0.155	0.125
September	0.150	0.130

Note:-
(1) Adjusted pursuant to the Previous Share Consolidation.

	RM
Last transacted market price on 10 August 2017, being the last Market Day immediately prior to the announcement of the Corporate Exercises	0.135
Last transacted market price as at the LPD	0.145
Last transacted market price on 30 October 2017, being the Market Day immediately prior to the ex-date for the Rights Issue of ICPS with Warrants	0.170

(Source: Bloomberg)

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APPENDIX II – CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE RIGHTS ISSUE OF ICPS WITH WARRANTS PASSED AT THE EGM HELD ON 25 SEPTEMBER 2017

ASIA BIOENERGY TECHNOLOGIES BERHAD
(Company No. 774628-U)
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 25 SEPTEMBER 2017

It was RESOLVED:-

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,163,208,800 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN ABT ("ICPS") TOGETHER WITH UP TO 116,320,880 FREE DETACHABLE WARRANTS IN ABT ("WARRANTS B") ON THE BASIS OF 10 ICPS TOGETHER WITH 1 FREE WARRANT B FOR EVERY 5 EXISTING ORDINARY SHARES IN ABT ("ABT SHARES" OR "SHARES") HELD BY THE ENTITLED SHAREHOLDERS OF ABT ON AN ENTITLEMENT DATE TO BE DETERMINED ("PROPOSED RIGHTS ISSUE OF ICPS WITH WARRANTS")

"**THAT** subject to the passing of the Special Resolution 1 and the approval of all relevant authorities or parties being obtained (if required), including but not limited to the approval-in-principle of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the ICPS and the Warrants B to be issued hereunder and the new Shares to be issued pursuant to the conversion of the Warrants B, the Board of Directors of the Company ("**Board**") be and is hereby authorised:-

(i) to provisionally allot and issue by way of a renounceable rights issue of up to 1,163,208,800 ICPS together with up to 116,320,880 Warrants B to the shareholders of the Company ("**Shareholders**") whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board ("**Entitlement Date**") and/or their renouncee(s), on the basis of 10 ICPS together with 1 Warrant B for every 5 existing Shares held at a final issue price of ICPS to be determined by the Board and on such terms and conditions and in such manner as the Board may determine;

(ii) to allot and issue the Warrants B in registered form to the Shareholders (and/or their renouncee(s), as the case may be) and Excess Applicants (defined below), if any, who subscribe for and are allotted ICPS, each Warrant B conferring the right to subscribe for 1 new Share at an exercise price to be determined by the Board at a later date, subject to any adjustment to the subscription rights attached to the Warrants B in accordance with the provisions of a deed poll to be executed by the Company constituting the Warrants B ("**Deed Poll B**");

(iii) to allot and issue such number of additional Warrants B pursuant to adjustments as provided under the Deed Poll B ("**Additional Warrants B**") and to adjust from time to time the exercise price of the Warrants B as a consequence of the adjustments under the provisions of the Deed Poll B and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (if required);

(iv) to allot and issue such number of new Shares to the holders of the ICPS upon their conversion of the relevant ICPS to subscribe for new Shares during the tenure of the ICPS; and

...2/-

ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)
EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 25 SEPTEMBER 2017

(v) to allot and issue such number of new Shares to the holders of the Warrants B upon their exercise of the relevant Warrants B to subscribe for new Shares during the tenure of the Warrants B, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants B and such adjustments in accordance with the provisions of the Deed Poll B.

THAT any ICPS which are not validly taken up or which are not allotted for any reason whatsoever to the entitled shareholders and/or their renouncee(s) shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

THAT the ICPS, Warrants B and the new Shares to be issued pursuant to the conversion of the ICPS and/or the exercise of the Warrants B shall be listed on the ACE Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue of ICPS with Warrants be utilised for the purposes as set out in Section 3, Part A of the Circular to Shareholders dated 30 August 2017 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue of ICPS with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue of ICPS with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue of ICPS with Warrants in order to implement and give full effect to the Proposed Rights Issue of ICPS with Warrants;

THAT the new Shares to be issued arising from the conversion of the ICPS and/or the exercise of the Warrants B shall, upon allotment, issuance and (where applicable) full payment, rank *pari passu* in all respects with the then existing Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the conversion of the ICPS and/or the exercise of the Warrants B;

THAT the new Shares to be issued pursuant to the exercise of the Warrants B (including the Additional Warrants B, if any) shall, upon allotment, issuance and full payment of the exercise price of the Warrants B (or the Additional Warrants B, if any), rank *pari passu* in all respects with the then existing Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares arising from the exercise of the Warrants B (including the Additional Warrants B, if any);

...3/-

ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)
EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 25 SEPTEMBER 2017

AND THAT this Ordinary Resolution 1 constitutes specific approval for the issuance of Shares and securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all ICPS, Warrants B (including Additional Warrants B, if any) and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue of ICPS with Warrants have been allotted and issued in accordance with the terms of the Proposed Rights Issue of ICPS with Warrants."

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY ("PROPOSED CONSTITUTION AMENDMENTS")

"**THAT** subject to the passing of the Ordinary Resolution 1, the Constitution of the Company (previously known as Memorandum and Articles of Association) shall be amended in the manner as set out in Appendix II of the Circular to Shareholders dated 30 August 2017.

AND THAT the Board be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents (including, without limitation, the affixing of the Company's common seal, where necessary) as the Board may consider necessary, expedient or relevant to give effect to and complete the Proposed Constitution Amendments with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Constitution Amendments."

Dated: 28 September 2017

CERTIFIED TRUE COPY

CHAIRMAN
ONG TEE KEIN

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]
9-C, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Malaysia.
Tel: 03-2693 8837 Fax: 03-2693 8836 Website: www.sby.com.my E-mail: audit@sby.com.my

Date: 17 OCT 2017

The Board of Directors
Asia Bioenergy Technologies Berhad
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

Dear Sirs/Madam,

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT" OR "COMPANY")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of ABT and its subsidiaries ("the Group") as at 31 March 2017 for which the Directors are solely responsible. The Pro Forma Consolidated Statements of Financial Position consists of the Pro Forma Consolidated Statements of Financial Position as at 31 March 2017 together with the accompanying notes thereon (which we have stamped for the purpose of identification), as set out in the accompanying statements. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes to the Pro Forma Consolidated Statements of Financial Position ("Applicable Criteria").

The Pro Forma Consolidated Statements of Financial Position has been compiled by the Directors to illustrate the effects of the renounceable rights issue of up to 1,163,208,800 new irredeemable convertible preference shares in ABT ("ICPS") at an issue price of RM0.08 per ICPS together with up to 116,320,880 free detachable warrants in ABT ("Warrants B") on the basis of ten (10) ICPS together with one (1) free Warrant B for every five (5) existing ordinary shares in ABT ("ABT Share(s)" or "Share(s)") held by the entitled shareholders on 2 November 2017 ("Rights Issue of ICPS with Warrants").

As part of this process, information about the Group's financial position has been extracted by the Directors from the audited financial statements of the Group for the financial year ended 31 March 2017, which have been published.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria as described in the notes thereto.

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material aspects, by the Directors on the basis of the Applicable Criteria as described in the notes thereto.

We conducted our engagement in accordance with International Standard on Assurance Engagements, *(ISAE) 3420 - Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus,* issued by the International Auditing and Assurance Standards Board and adopted by Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material aspects, the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria as described in the notes thereto.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus to Shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2017 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:-

(i) The related Pro Forma adjustments give appropriate effect to those criteria; and

(ii) The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

Opinion

In our opinion,

(i) the Pro Forma Consolidated Statements of Financial Position as at 31 March 2017 have been properly compiled on the basis set out in the accompanying notes to the Pro Forma Consolidated Statements of Financial Position using financial statements prepared by the Directors in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies of the Group unless otherwise stated; and

(ii) the adjustments made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position are appropriate for the purposes of preparing the Pro Forma Consolidated Statements of Financial Position.

We understand that this letter will be used solely for the purpose of inclusion in the Abridged Prospectus to Shareholders of ABT in connection with the Rights Issue of ICPS with Warrants. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

Siew Boon Yeong & Associates
Firm No: AF 0660
Chartered Accountants

Dato' Siew Boon Yeong
Approved Number: 01321/07/2018 (J)
Partner of Firm

APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MINIMUM SCENARIO

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM	Adjustments for the Subsequent Events RM	Adjusted Consolidated Statements of Financial Position RM	Adjustments for Rights Issue of ICPS with Warrants RM	Pro Forma I After Rights Issue of ICPS with Warrants RM	Adjustments for full conversion of ICPS RM	Pro Forma II After Pro Forma I and full conversion of ICPS RM	Adjustments for full exercise of Warrants B RM	Pro Forma III After Pro Forma I, II and full exercise of Warrants B RM
ASSETS									
Non-current Assets									
Property, plant and equipment	6,832,641	-	6,832,641	-	6,832,641	-	6,832,641	-	6,832,641
Marketable securities	43,740,371	-	43,740,371	9,000,000	52,740,371	-	52,740,371	-	52,740,371
	50,573,012	-	50,573,012	9,000,000	59,573,012	-	59,573,012	-	59,573,012
Current Assets									
Inventories	370,295	-	370,295	-	370,295	-	370,295	-	370,295
Trade receivables	860,224	-	860,224	-	860,224	-	860,224	-	860,224
Other receivables, deposits and prepayments	2,214,968	-	2,214,968	-	2,214,968	-	2,214,968	-	2,214,968
Marketable securities	2,599,984	-	2,599,984	-	2,599,984	-	2,599,984	-	2,599,984
Cash and bank balances	194,334	11,491,808	11,686,142	50,000	11,736,142	-	11,736,142	1,875,000	13,611,142
	6,239,805	11,491,808	17,731,613	50,000	17,781,613	-	17,781,613	1,875,000	19,656,613
Total Assets	56,812,817	11,491,808	68,304,625	9,050,000	77,354,625	-	77,354,625	1,875,000	79,229,625

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1

APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MINIMUM SCENARIO (CONT'D)

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM	Adjustments for the Subsequent Events RM	Adjusted Consolidated Statements of Financial Position RM	Adjustments for Rights Issue of ICPS with Warrants RM	Pro Forma I After Rights Issue of ICPS with Warrants RM	Adjustments for full conversion of ICPS RM	Pro Forma II After Pro Forma I and full conversion of ICPS RM	Adjustments for full exercise of Warrants B RM	Pro Forma III After Pro Forma I, II and full exercise of Warrants B RM
EQUITY AND LIABILITIES									
Equity attributable to owners of the Company									
Share capital	56,005,130	13,781,982	69,787,112	-	69,787,112	10,000,000	79,787,112	3,546,250	83,333,362
ICPS - equity portion	-	-	-	10,000,000	10,000,000	(10,000,000)	-	-	-
Share premium	1,298,254	(300,000)	998,254	(998,254)	-	-	-	-	-
Warrant reserve	333,452	-	333,452	1,671,250	2,004,702	-	2,004,702	(1,671,250)	333,452
Accumulated losses	(4,628,659)	(1,990,174)	(6,618,833)	(1,622,996)	(8,241,829)	-	(8,241,829)	-	(8,241,829)
Total equity attributable to owners of the Company	53,008,177	11,491,808	64,499,985	9,050,000	73,549,985	-	73,549,985	1,875,000	75,424,985
Non-controlling interests	(1,561,703)	-	(1,561,703)	-	(1,561,703)	-	(1,561,703)	-	(1,561,703)
Total Equity	51,446,474	11,491,808	62,938,282	9,050,000	71,988,282	-	71,988,282	1,875,000	73,863,282
LIABILITIES									
Current Liabilities									
Trade payables	817,721	-	817,721	-	817,721	-	817,721	-	817,721
Other payables and accruals	567,585	-	567,585	-	567,585	-	567,585	-	567,585
Short-term borrowings	3,981,037	-	3,981,037	-	3,981,037	-	3,981,037	-	3,981,037
Total Liabilities	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343
Total Equity and Liabilities	56,812,817	11,491,808	68,304,625	9,050,000	77,354,625	-	77,354,625	1,875,000	79,229,625
Number of Shares	1,113,382,600	(663,073,825)	450,308,775		450,308,775	62,500,000	512,808,775	12,500,000	525,308,775
Net assets per Share (RM)	0.05		0.14		0.16		0.14		0.14
Total borrowings (RM)	3,981,037		3,981,037		3,981,037		3,981,037		3,981,037
Gearing ratio (times)	0.08		0.06		0.05		0.05		0.05

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2

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
BASE CASE SCENARIO

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM	Adjustments for the Subsequent Events RM	Adjusted Consolidated Statements of Financial Position RM	Adjustments for Rights Issue of ICPS with Warrants RM	Pro Forma I After Rights Issue of ICPS with Warrants RM	Adjustments for full conversion of ICPS RM	Pro Forma II After Pro Forma I and full conversion of ICPS RM	Adjustments for full exercise of Warrants B RM	Pro Forma III After Pro Forma I, II and full exercise of Warrants B RM
ASSETS									
Non-current Assets									
Property, plant and equipment	6,832,641	-	6,832,641	-	6,832,641	-	6,832,641	-	6,832,641
Marketable securities	43,740,371	-	43,740,371	18,688,933	62,429,304	-	62,429,304	-	62,429,304
	50,573,012	-	50,573,012	18,688,933	69,261,945	-	69,261,945	-	69,261,945
Current Assets									
Inventories	370,295	-	370,295	-	370,295	-	370,295	-	370,295
Trade receivables	860,224	-	860,224	-	860,224	-	860,224	-	860,224
Other receivables, deposits and prepayments	2,214,968	-	2,214,968	-	2,214,968	-	2,214,968	-	2,214,968
Marketable securities	2,599,984	-	2,599,984	-	2,599,984	-	2,599,984	-	2,599,984
Fixed deposits with a licensed bank	-	-	-	47,410,404	47,410,404	-	47,410,404	-	47,410,404
Cash and bank balances	194,334	11,491,808	11,686,142	5,000,067	16,686,209	-	16,686,209	13,509,263	30,195,472
	6,239,805	11,491,808	17,731,613	52,410,471	70,142,084	-	70,142,084	13,509,263	83,651,347
Total Assets	56,812,817	11,491,808	68,304,625	71,099,404	139,404,029	-	139,404,029	13,509,263	152,913,292

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3

APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
BASE CASE SCENARIO (CONT'D)

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM	Adjustments for the Subsequent Events RM	Adjusted Consolidated Statements of Financial Position RM	Adjustments for Rights Issue of ICPS with Warrants RM	Pro Forma I After Rights Issue of ICPS with Warrants RM	Adjustments for full conversion of ICPS RM	Pro Forma II After Pro Forma I and full conversion of ICPS RM	Adjustments for full exercise of Warrants B RM	Pro Forma III After Pro Forma I, II and full exercise of Warrants B RM
EQUITY AND LIABILITIES									
Equity attributable to owners of the Company									
Share capital	56,005,130	13,781,982	69,787,112	-	69,787,112	72,049,404	141,836,516	25,550,520	167,387,035
ICULS - equity component	-	-	-	72,049,404	72,049,404	(72,049,404)	-	-	-
Share premium	1,298,254	(300,000)	998,254	(998,254)	-	-	-	-	-
Warrant reserve	333,452	-	333,452	12,041,257	12,374,709	-	12,374,709	(12,041,257)	333,452
Accumulated losses	(4,628,659)	(1,990,174)	(6,618,833)	(11,993,003)	(18,611,836)	-	(18,611,836)	-	(18,611,836)
Total equity attributable to owners of the Company	53,008,177	11,491,808	64,499,985	71,099,404	135,599,389	-	135,599,389	13,509,263	149,108,652
Non-controlling interests	(1,561,703)	-	(1,561,703)	-	(1,561,703)	-	(1,561,703)	-	(1,561,703)
Total Equity	51,446,474	11,491,808	62,938,282	71,099,404	134,037,686	-	134,037,686	13,509,263	147,546,949
Current Liabilities									
Trade and other payables	817,721	-	817,721	-	817,721	-	817,721	-	817,721
Other payables and accruals	567,585	-	567,585	-	567,585	-	567,585	-	567,585
Short-term borrowings	3,981,037	-	3,981,037	-	3,981,037	-	3,981,037	-	3,981,037
	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343
Total Liabilities	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343
Total Equity and Liabilities	56,812,817	11,491,808	68,304,625	71,099,404	139,404,029	-	139,404,029	13,509,263	152,913,292
Number of Shares	1,113,382,600	(663,073,825)	450,308,775		450,308,775	450,308,775	900,617,550	90,061,755	990,679,305
Net assets per Share (RM)	0.05		0.14		0.30		0.15		0.15
Total borrowings (RM)	3,981,037		3,981,037		3,981,037		3,981,037		3,981,037
Gearing ratio (times)	0.08		0.06		0.03		0.03		0.03

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4

APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM	Adjustments for the Subsequent Events RM	Adjusted Consolidated Statements of Financial Position RM	Adjustments for full exercise of Warrants A and SIS Options RM	Pro Forma I After full exercise of Warrants A and SIS Options RM	Adjustments for Rights Issue of ICPS with Warrants RM	Pro Forma II After Rights Issue of ICPS with Warrants RM	Adjustments for full conversion of ICPS RM	Pro Forma III After Pro Forma I, II and full conversion of ICPS RM	Adjustments for full exercise of Warrants B RM	Pro Forma IV After Pro Forma I, II, III and full exercise of Warrants B RM
ASSETS											
Non-current Assets											
Property, plant and equipment	6,832,641	-	6,832,641	-	6,832,641	-	6,832,641	-	6,832,641	-	6,832,641
Marketable securities	43,740,371	-	43,740,371	-	43,740,371	18,688,933	62,429,304	-	62,429,304	-	62,429,304
	50,573,012	-	50,573,012	-	50,573,012	18,688,933	69,261,945	-	69,261,945	-	69,261,945
Current Assets											
Inventories	370,295	-	370,295	-	370,295	-	370,295	-	370,295	-	370,295
Trade receivables	860,224	-	860,224	-	860,224	-	860,224	-	860,224	-	860,224
Other receivables, deposits and prepayments	2,214,968	-	2,214,968	-	2,214,968	-	2,214,968	-	2,214,968	-	2,214,968
Marketable securities	2,599,984	-	2,599,984	-	2,599,984	-	2,599,984	-	2,599,984	-	2,599,984
Fixed deposits with a licensed bank	-	-	-	-	-	66,417,771	66,417,771	-	66,417,771	-	66,417,771
Cash and bank balances	194,334	11,491,808	11,686,142	39,388,688	51,074,829	7,000,000	58,074,829	93,056,704	151,131,533	17,448,132	168,579,665
	6,239,805	11,491,808	17,731,613	39,388,688	57,120,300	73,417,771	130,538,071	93,056,704	223,594,775	17,448,132	241,042,907
Total Assets	56,812,817	11,491,808	68,304,625	39,388,688	107,693,312	92,106,704	199,800,016	93,056,704	292,856,720	17,448,132	310,304,852

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APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO (CONT'D)

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM	Adjustments for the Subsequent Events RM	Adjusted Consolidated Statements of Financial Position RM	Adjustments for full exercise of Warrants A and SIS Options RM	Pro Forma I After full exercise of Warrants A and SIS Options RM	Adjustments for Rights Issue of ICPS with Warrants RM	Pro Forma II After Rights Issue of ICPS with Warrants RM	Adjustments for full conversion of ICPS RM	Pro Forma III After Pro Forma I, II and full conversion of ICPS RM	Adjustments for full exercise of Warrants B RM	Pro Forma IV After Pro Forma I, II, III and full exercise of Warrants B RM
EQUITY AND LIABILITIES											
Equity attributable to owners of the Company											
Share capital	56,005,130	13,781,982	69,787,112	39,722,140	109,509,251	-	109,509,251	186,113,408	295,622,659	33,000,234	328,622,893
ICULS - equity component	-	-	-	-	-	93,056,704	93,056,704	(93,056,704)	-	-	-
Share premium	1,298,254	(300,000)	998,254	-	998,254	(998,254)	-	-	-	-	-
Warrant reserve	333,452	-	333,452	(333,452)	-	15,552,102	15,552,102	-	15,552,102	(15,552,102)	-
Accumulated losses	(4,628,659)	(1,990,174)	(6,618,833)	-	(6,618,833)	(15,503,848)	(22,122,681)	-	(22,122,681)	-	(22,122,681)
Total equity attributable to owners of the Company	53,008,177	11,491,808	64,499,985	39,388,688	103,888,672	92,106,704	195,995,376	93,056,704	289,052,080	17,448,132	306,500,212
Non-controlling interests	(1,561,703)	-	(1,561,703)	-	(1,561,703)	-	(1,561,703)	-	(1,561,703)	-	(1,561,703)
Total Equity	51,446,474	11,491,808	62,938,282	39,388,688	102,326,969	92,106,704	194,433,673	93,056,704	287,490,377	17,448,132	304,938,509
Current Liabilities											
Trade and other payables	817,721	-	817,721	-	817,721	-	817,721	-	817,721	-	817,721
Other payables and accruals	567,585	-	567,585	-	567,585	-	567,585	-	567,585	-	567,585
Short-term borrowings	3,981,037	-	3,981,037	-	3,981,037	-	3,981,037	-	3,981,037	-	3,981,037
	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343
Total Liabilities	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343	-	5,366,343
Total Equity and Liabilities	56,812,817	11,491,808	68,304,625	39,388,688	107,693,312	92,106,704	199,800,016	93,056,704	292,856,720	17,448,132	310,304,852
Number of Shares	1,113,382,600	(663,073,825)	450,308,775	131,295,625	581,604,400		581,604,400	1,163,208,800	1,744,813,200	116,320,880	1,861,134,080
Net assets per Share (RM)	0.05		0.14		0.18		0.34		0.17		0.16
Total borrowings (RM)	3,981,037		3,981,037		3,981,037		3,981,037		3,981,037		3,981,037
Gearing ratio (times)	0.08		0.06		0.04		0.02		0.01		0.01

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6

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

1. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia and based on the audited Consolidated Statements of Financial Position of ABT as at 31 March 2017. The Pro Forma Consolidated Statements of Financial Position have been prepared solely for illustrative purposes, to show the effects of the renounceable rights issue of up to 1,163,208,800 new irredeemable convertible preference shares in ABT ("ICPS") at an issue price of RM0.08 per ICPS together with up to 116,320,880 free detachable warrants in ABT ("Warrants B") on the basis of ten (10) ICPS together with one (1) free Warrant B for every five (5) existing ordinary shares in ABT ("ABT Share(s)" or "Share(s)") held by the entitled shareholders on 2 November 2017 ("Entitlement Date") ("Rights Issue of ICPS with Warrants").

As part of this process, information about the Group's financial position has been extracted by the Directors from the audited financial statements of the Group for the financial year ended 31 March 2017, which have been published.

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the accounting policies and bases consistent with those normally adopted by ABT in the preparation of its audited financial statements.

The Pro Forma Consolidated Statements of Financial Position is presented in Ringgit Malaysia ("RM").

The Pro Forma Consolidated Statements of Financial Position, because of its nature, may not be reflective of the Group's actual financial position. Furthermore, such information does not purport to predict the future financial position of the Group.

1.1 On 6 June 2017, ABT had announced the completion of a share consolidation on the basis of every three (3) ABT Shares into one (1) ABT Share. As a result of the share consolidation, the outstanding Warrants 2014/2024 ("Warrants A") of the Company has also been consolidated from 393,888,400 of Warrants A to 131,295,625 of Warrants A.

1.2 Fair Value of Warrants B

The allocated fair value of Warrants B is credited to a warrant reserve which is non-distributable.

The Directors of ABT have allocated a fair value of RM0.1337 for each of the Warrant B. The fair value of Warrants B is derived at using the Black-Scholes option pricing model with data sourced from Bloomberg.

The assumptions used to arrive at this fair value are as follows:

Exercise price	:	RM0.15
Time to expire	:	Five (5) years
Underlying price	:	RM0.1519 (theoretical ex-all price)
Volatility rate	:	134.291%
Risk free rate	:	3.911%

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ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

1.3 The Pro Forma Consolidated Statements of Financial Position is illustrated based on the following three (3) scenarios, assuming:-

Minimum Scenario

(i) none of the outstanding Warrants A are exercised into new ABT Shares prior to the Entitlement Date;

(ii) the Rights Issue of ICPS with Warrants is undertaken on the minimum subscription level of 125,000,000 ICPS together with 12,500,000 Warrants B; and

(iii) the ICPS issued are fully converted into Shares based on the conversion price of RM0.16 and conversion mode of surrendering two (2) ICPS for one (1) new Share without additional cash payment.

Base Case Scenario

(i) none of the outstanding Warrants A are exercised into new ABT Shares prior to the Entitlement Date;

(ii) all entitled shareholders fully subscribe to their entitlements of the ICPS with Warrants B; and

(iii) the ICPS issued are fully converted into Shares based on the conversion price of RM0.16 and conversion mode of surrendering two (2) ICPS for one (1) new Share without additional cash payment.

Maximum Scenario

(i) all the outstanding Warrants A are exercised into new ABT Shares prior to the Entitlement Date;

(ii) all entitled shareholders and/or their renouncee(s) fully subscribe to their entitlements of the ICPS with Warrants B; and

(iii) the ICPS are issued and fully converted into Shares based on the conversion price of RM0.16 and conversion mode of surrendering one (1) ICPS for one (1) new Share with additional cash payment of RM0.08 per ICPS.

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

2. ADJUSTMENTS TO CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The adjustments incorporate the effects of:-

(i) Issuance of:-

(a) 43,000,000 options into ABT Shares granted under the Company's share issuance scheme ("SIS") at an issuance price of RM0.05 per option. These options were subsequently exercised and an amount of RM399,990 shares option reserve which was provided upon the issuance of the options was also been reclassified to share capital when the options were exercised; and

(b) 83,000,000 options granted under the Company's SIS at an issuance price of RM0.05 per option. An amount of RM863,200 shares option reserve was provided upon the issuance of the options;

(ii) Share consolidation on the basis of every three (3) ABT Shares into one (1) ABT Share together with the expenses incurred of RM300,000;

(iii) Exercise of 27,665,500 options (prior to the share consolidation as stated in (ii), the options issued were 83,000,000 options) into ABT Shares pursuant to the SIS at an issuance price of RM0.165 per option. An amount of RM863,200 shares option reserve was provided upon the issuance of the options which was subsequently reclassified to share capital when the options were exercised;

(iv) Issuance and subsequently the exercise of 28,600,000 options into ABT Shares pursuant to the SIS at an issuance price of RM0.14 per option. An amount of RM594,880 shares option reserve was provided upon the issuance of the options which were subsequently reclassified to share capital when the options were exercised; and

(v) Issuance and subsequently the exercise of 8,584,000 options into ABT Shares pursuant to the SIS at an issuance price of RM0.125 per option. An amount of RM132,194 shares option reserve was provided upon the issuance of the options which were subsequently reclassified to share capital when the options were exercised.

(collectively referred to as "Subsequent Events")

The Subsequent Events have the following financial impacts on the Pro Forma Consolidated Statements of Financial Position of the Group:-

	Increase/(Decrease)	
	Effect on Total Assets RM	**Effect on Total Equity RM**
Cash and bank balances	11,491,808	-
Share capital	-	13,781,982
Share premium	-	(300,000)
Accumulated losses	-	(1,990,174)
	11,491,808	11,491,808

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ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

3. MINIMUM SCENARIO

3.1 PRO FORMA I

Pro Forma I incorporates the effects of Subsequent Events and the Rights Issue of ICPS with Warrants.

The following are the utilisation of proceeds from the Rights Issue of ICPS with Warrants on the adjusted Consolidated Statements of Financial Position as at 31 March 2017:

	RM
Marketable securities	9,050,000
Estimated expenses for the corporate exercise	950,000
	10,000,000

The total estimated expenses for the corporate exercise is RM0.95 million and will be debited to the share premium account.

The Rights Issue of ICPS with Warrants have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity RM
Marketable securities	9,050,000	-
ICPS – Equity portion	-	10,000,000
Share premium(Note)	-	(998,254)
Warrant reserve	-	1,671,250
Accumulated losses	-	(1,622,996)
	9,050,000	9,050,000

<u>Note:</u>

The balance of the share premium, after the deduction on the expenses of the corporate exercise amounting to RM48,254 will be used as partial provision of warrant reserve for Warrants B.

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

3.2 PRO FORMA II

Pro Forma II incorporates the effects of Subsequent Events and Pro Forma I and assuming full conversion of ICPS under the minimum scenario by surrendering two (2) ICPS for one (1) new ABT Share.

The full conversion of ICPS has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	**Effect on Total Equity RM**
Share capital	-	10,000,000
ICPS – Equity portion	-	(10,000,000)
	-	-

3.3 PRO FORMA III

Pro Forma III incorporates the effects of Subsequent Events and Pro Forma I, II and assuming full exercise of Warrants B into new ABT Shares.

The full exercise of Warrants B has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	**Effect on Total Equity RM**
Cash and bank balances	1,875,000	-
Share capital	-	3,546,250
Warrant reserve	-	(1,671,250)
	1,875,000	1,875,000

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

4. BASE CASE SCENARIO

4.1 PRO FORMA I

Pro Forma I incorporates the effects of Subsequent Events and the Rights Issue of ICPS with Warrants.

The following are the utilisation of proceeds from the Rights Issue of ICPS with Warrants on the adjusted Consolidated Statements of Financial Position as at 31 March 2017:

	RM
Marketable securities	18,688,933
Fixed deposits with a licensed bank	47,410,471
Working capital	5,000,000
Estimated expenses for the corporate exercise	950,000
	72,049,404

Note:

This proceeds of approximately RM47.41 million have been earmarked for investment in unquoted incubatees and/or start-up companies to be identified. The Company will place the cash proceeds in interest-bearing bank deposits and/or money market financial instruments pending the identification of new businesses to be invested in. For the purpose of presentation of the Pro Forma Statements of Financial Position, this has been taken up as fixed deposits with licenced banks.

The total estimated expenses for the corporate exercise is RM0.95 million and will be debited to the share premium account.

The Rights Issue of ICPS with Warrants have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	**Effect on Total Equity RM**
Marketable securities	18,688,933	-
Fixed deposits with a licensed bank	47,410,471	-
Cash and bank balances	5,000,000	-
ICPS – Equity portion	-	72,049,404
Share premium^(Note)^	-	(998,254)
Warrant reserve	-	12,041,257
Accumulated losses	-	(11,993,003)
	71,099,404	71,099,404

Note:

The balance of the share premium, after the deduction on the expenses of the corporate exercise amounting to RM48,254 will be used as partial provision of warrant reserve for Warrants B.

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SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

4.2 PRO FORMA II

Pro Forma II incorporates the effects of Subsequent Events and Pro Forma I and assuming full conversion of ICPS under the base case scenario by surrendering two (2) ICPS for one (1) new ABT Share.

The full conversion of ICPS has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity RM
Share capital	-	72,049,404
ICPS – Equity portion	-	(72,049,404)
	-	-

4.3 PRO FORMA III

Pro Forma III incorporates the effects of Subsequent Events and Pro Forma I, II and assuming full exercise of Warrants B into new ABT Shares.

The full exercise of Warrants B has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity RM
Cash and bank balances	13,509,263	-
Share capital	-	25,550,520
Warrant reserve	-	(12,041,257)
	13,509,263	13,509,263

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SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

5. MAXIMUM SCENARIO

5.1 PRO FORMA I

Pro Forma I incorporates the effects of Subsequent Events, and assuming all the outstanding Warrants A are exercised prior to the implementation of the Rights Issue of ICPS with Warrants.

The full exercise of Warrants A have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease) Effect on Total Assets RM	Increase/(Decrease) Effect on Total Equity RM
Cash and bank balances	39,388,688	-
Share capital	-	39,722,140
Warrant reserve	-	(333,452)
	39,388,688	39,388,688

5.2 PRO FORMA II

Pro Forma I incorporates the effects of Subsequent Events, Pro Forma I and the Rights Issue of ICPS with Warrants.

The following are the utilisation of proceeds from the Rights Issue of ICPS with Warrants on the adjusted Consolidated Statements of Financial Position as at 31 March 2017:

	RM
Marketable securities	18,688,933
Fixed deposits with a licensed bank	66,417,771
Working capital	7,000,000
Estimated expenses for the corporate exercise	950,000
	93,056,704

Note:

This proceeds of approximately RM66.42 million have been earmarked for investment in unquoted incubatees and/or start-up companies to be identified. The Company will place the cash proceeds in interest-bearing bank deposits and/or money market financial instruments pending the identification of new businesses to be invested in. For the purpose of presentation of the Pro Forma Statements of Financial Position, this has been taken up as fixed deposits with licenced banks.

The total estimated expenses in relation to the corporate exercise is RM0.95 million and will be debited to the share premium account.

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SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

The Rights Issue of ICPS with Warrants have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	**Effect on Total Equity RM**
Marketable securities	18,688,933	-
Fixed deposits with a licensed bank	66,417,771	-
Cash and bank balances	7,000,000	-
ICPS – Equity portion	-	93,056,704
Share premium*(Note)*	-	(998,254)
Warrant reserve	-	15,552,102
Accumulated losses	-	(15,503,848)
	92,106,704	92,106,704

Note:

The balance of the share premium, after the deduction on the expenses of the corporate exercise amounting to RM48,254 will be used as partial provision of warrant reserve for Warrants B.

5.3 PRO FORMA III

Pro Forma III incorporates the effects of Subsequent Events, Pro Forma I, II and assuming full conversion of ICPS under the maximum scenario based on conversion price of RM0.16 and conversion mode of surrendering one (1) ICPS for one (1) new Share with additional cash payment of RM0.08 per ICPS.

The full conversion of ICPS has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	**Effect on Total Equity RM**
Cash and bank balances	93,056,704	-
Share capital	-	186,113,408
ICPS – Equity portion	-	(93,056,704)
	93,056,704	93,056,704

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Chartered Accountants [AF: 0660]

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

5.4 PRO FORMA IV

Pro Forma IV incorporates the effects of Subsequent Events and Pro Forma I, II, III and assuming full exercise of Warrants B into new ABT Shares.

The full exercise of Warrants B has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	**Effect on Total Equity RM**
Cash and bank balances	17,448,132	-
Share capital	-	33,000,234
Warrant reserve	-	(15,552,102)
	17,448,132	17,448,132

ASIA BIOENERGY TECHNOLOGIES BERHAD ("ABT")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 17 OCT 2017

On behalf of the Board,

Tan Sik Eek
Executive Director

Company No. 774628-U

CERTIFIED TRUE COPY

SIEW BOON YEONG & ASSOCIATES
AF: 0660
CHARTERED ACCOUNTANTS

DATO' SIEW BOON YEONG
01321/07/2018 J
CHARTERED ACCOUNTANT

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

Reports and Financial Statements
31 March 2017

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

Reports and Financial Statements
31 March 2017

CONTENTS

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are engaged in technology incubation and investment holding. The principal activities of the subsidiary companies are as set out in *Note 7* to the financial statements. There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	*Company* RM
Profit/(loss) for the financial year	2,122,222	(1,201,936)
Attributable to:		
Owners of the Company	2,146,647	(1,201,936)
Non-controlling interests	(24,425)	-
	2,122,222	(1,201,936)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

MOVEMENTS ON RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(a) completed the par value reduction of its ordinary shares from RM0.10 to RM0.05 per share. Pursuant to the par value reduction, the issued share capital of the Company had been reduced from RM86,671,160 comprising 866,711,600 ordinary shares to RM43,335,580 comprising 866,711,600 ordinary shares;

(b) increased its issued share capital from RM43,335,580 to RM47,669,130 by way of the issuance of 86,671,000 new ordinary shares pursuant to the private placement; and

(c) increased its issued share capital from RM47,669,130 to RM56,005,130 by way of the exercise of 160,000,000 new ordinary shares pursuant to the Share Issuance Scheme.

The newly issued shares ranked pari passu in all respects with the previously issued shares.

There was no issue of debentures by the Company during the financial year.

SHARE ISSUANCE SCHEME ("SIS")

On 5 June 2015, the Company was granted approval from shareholders at the Extraordinary General Meeting for the SIS of up to thirty percent (30%) of the Company's total issued share capital at any one time during the duration of the SIS for the eligible persons of the Company and its subsidiary companies who fulfil the eligibility criteria for participation in the SIS.

Salient features of the SIS are as follows:

(a) Each option entitles the eligible person to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.10 during the 5-year period expiring on 29 July 2020 ("Exercise Period"), pursuant to the By-Laws of the SIS; and

(b) At the expiry of the Exercise Period, any options which have not been exercised shall automatically lapse and be of no further legal effect if acceptance is not received on or before the date specified above.

On 5 August 2015, the Company offered total options of 171,000,000 to eligible employees under the SIS with an exercise price of RM0.10 each. All the options offered were lapsed as at the financial year.

				Number of SIS Option			
Name	**Grant date**	**Expiry date**	**Exercise price**	**As at 01.04.2016**	**Granted**	**Lapsed**	**As at 31.03.2017**
Tan Yan Shiou	5 August 2015	29 July 2020	RM0.10	43,000,000	-	(43,000,000)	-
Chu Hui Peng	5 August 2015	29 July 2020	RM0.10	43,000,000	-	(43,000,000)	-
Looi Kem Loong	5 August 2015	29 July 2020	RM0.10	85,000,000	-	(85,000,000)	-

On 5 October 2016, the Company offered total options of 120,000,000 to eligible employees under the SIS with an exercise price of RM0.05 each. All of the options offered were exercised during the year.

				Number of SIS Option		
Name	**Grant date**	**Expiry date**	**Exercise price**	**Granted**	**Exercised**	**As at 31.03.2017**
David Chuah	5 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-
Melvin Rohan Padmanthan	5 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-
Ee Song Jian	5 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-

On 14 October 2016, the Company offered total options of 40,000,000 to eligible employee under the SIS with an exercise price of RM0.05 each. All the options offered were exercised during the year.

				Number of SIS Option		
Name	**Grant date**	**Expiry date**	**Exercise price**	**Granted**	**Exercised**	**As at 31.03.2017**
Lai Pui Guan	14 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-

WARRANTS 2014/2024

On 28 April 2014, the Company listed and quoted 420,200,000 free detachable warrants ("Warrants") pursuant to the Rights Issue with Warrants Exercise on the basis of one (1) Warrant for every one (1) Rights Share subscribed.

The Warrants are constituted by the Deed Poll dated 17 March 2014 ("Deed Poll").

Salient features of the Warrants are as follows:

(a) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.10 during the 10-year period expiring on 19 April 2024 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll;

(b) At the expiry of the Exercise Period, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purposes; and

(c) Warrant holders must exercise the Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

At 31 March 2017, the total outstanding Warrants is 393,888,400 (2016: 393,888,400).

DIRECTORS

The directors in office since the date of the last report are:

Dato' Seri Abdul Azim Bin Mohd Zabidi
Leung Kok Keong
Tan Sik Eek
Tengku Ahmad Badli Shah Bin Raja Hussin
Ong Tee Kein
Chu Chee Peng

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial year in the shares in the Company and its related companies during the financial year are as follows:

	------------ *No. of Ordinary Shares* ------------			
	Balance 01.04.2016	*Bought*	*Sold*	*Balance 31.03.2017*
Direct interest				
Leung Kok Keong	50	1,000,000	-	1,000,050
Tan Sik Eek	-	1,000,000	-	1,000,000

The other directors holding office at the end of the financial year have no interests in shares in the Company during the financial year.

All the directors holding office at the end of the financial year have no interests in Warrants 2014/2024 in the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit *(other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown under Directors' Remuneration below, or the fixed salary of a full-time employee of the Company)* by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than those transactions as disclosed in *Note 26(b)* to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Executive Directors' remuneration				
- salaries and other emoluments	256,905	189,240	240,897	189,240
- defined contribution plan	23,040	22,080	23,040	22,080
	279,945	211,320	263,937	211,320
Non-executive Directors' remuneration				
- fees	72,012	102,004	72,012	102,004
- other emoluments	11,222	21,978	11,222	9,460
	83,234	123,982	83,234	111,464
Total directors remuneration	363,179	335,302	347,171	322,784

Included in the analysis above is remuneration for the directors of the Company and its subsidiary companies in accordance with the requirements of the Companies Act 2016.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was necessary; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts inadequate to any substantial extent in the financial statements or necessitate to make any allowance for doubtful debts or the values attributed to current assets misleading; and

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; and

(b) no charge has arisen on the assets of the Group and of the Company which secures the liabilities of any other person nor has any contingent liability arisen in the Group and in the Company.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

SIGNIGICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in *Note 29* to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in *Note 30* to the financial statements.

AUDITORS

The details of the auditors' remuneration for the financial year are disclosed in *Note 21* to the financial statements.

The auditors, Messrs Siew Boon Yeong & Associates, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

LEUNG KOK KEONG
Director

TAN SIK EEK
Director

Kuala Lumpur,
Date: 5 JUL 2017

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 15 to 73 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to exhibit a true and fair view of the financial positions of the Group and of the Company as at 31 March 2017 and of the financial performance and cash flows of the Group and of the Company for the year ended on that date.

The information set out on page 74 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in Kuala Lumpur on 5 JUL 2017

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

LEUNG KOK KEONG

TAN SIK EEK

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Leung Kok Keong, being the director primarily responsible for the financial management of Asia Bioenergy Technologies Berhad, do solemnly and sincerely declare that the financial statements set out on pages 15 to 74 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared in Kuala Lumpur on 5 JUL 2017

LEUNG KOK KEONG

Before me

PESURUHJAYA SUMPAH
MALAYSIA
No: W465
Nama: KAPT. (B) JASNI BIN YUSOFF

Commissioner for Oaths

Lot 1.08, Tingkat 1,
Bangunan KWSP, Jln Raja Laut,
50350 Kuala Lumpur.
Tel: 019-6680745

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]
9-C, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Malaysia.
Tel: 03-2693 8837 Fax: 03-2693 8836 Website: www.sby.com.my E-mail: audit@sby.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asia Bioenergy Technologies Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 74.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk area and rationale	**Our response**
As at 31 March 2017, the Group has marketable securities classified as fair value through profit or loss which comprise quoted shares with carrying amount of approximately RM46.34 million.	Our audit procedures included, amongst others:-
During the financial year, the Group:-	- checked to the source documents to confirm on the ownership of the marketable securities and also on the additions and disposals of the marketable securities;
(a) recognised fair value gain on the marketable securities of approximately RM4.03 million; and	- checked to the market prices of the quoted marketable securities as at year end to determine the fair value of the marketable securities; and
(b) recognised the gain on disposal of marketable securities of RM73,647.	- evaluated the reasonableness on the changes in fair value and checked the computation of the gain or loss of the marketable securities provided in the financial statements.
As the marketable securities represents 82% of the Group's total assets and is material, we considered this as a key audit matter.	

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

The supplementary information set out on page 74 is disclosed to meet the requirements of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content for this report.

SIEW BOON YEONG & ASSOCIATES
AF: 0660
Chartered Accountants

DATO' SIEW BOON YEONG
01321/07/2018 J
Chartered Accountant

Kuala Lumpur,
Date: 5 July 2017

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	*5*	6,832,641	7,869,843	3,466,138	4,012,887
Intangible assets	*6*	-	-	-	-
Investment in subsidiary companies	*7*	-	-	802,059	802,059
Other investments	*8*	-	-	-	-
Marketable securities	*9*	43,740,371	25,082,345	-	-
		50,573,012	32,952,188	4,268,197	4,814,946
CURRENT ASSETS					
Inventories	*10*	370,295	374,886	-	-
Trade receivables	*11*	860,224	762,044	-	-
Other receivables, deposits and prepayments	*12*	2,214,968	417,386	60,340	270,860
Amount owing by subsidiary companies	*13*	-	-	62,858,551	52,413,180
Marketable securities	*9*	2,599,984	4,664,710	-	-
Cash and bank balances		194,334	96,364	79,956	50,945
		6,239,805	6,315,390	62,998,847	52,734,985
TOTAL ASSETS		56,812,817	39,267,578	67,267,044	57,549,931

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	56,005,130	86,671,160	56,005,130	86,671,160
Reserves	15	(2,996,953)	(46,684,980)	10,972,267	(29,367,177)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS		53,008,177	39,986,180	66,977,397	57,303,983
Non-controlling interests		(1,561,703)	(1,537,278)	-	-
TOTAL EQUITY		51,446,474	38,448,902	66,977,397	57,303,983
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	16	817,721	434,596	-	-
Other payables and accruals	17	567,585	384,080	289,647	245,948
Short-term borrowing	18	3,981,037	-	-	-
		5,366,343	818,676	289,647	245,948
TOTAL LIABILITIES		5,366,343	818,676	289,647	245,948
TOTAL EQUITY AND LIABILITIES		56,812,817	39,267,578	67,267,044	57,549,931

The accompanying notes form an integral part of the financial statements.

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 March 2017

		Group		*Company*	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
REVENUE	*19*	5,354,052	9,518,186	12	14,812
COST OF SALES		(5,788,170)	(10,766,436)	-	-
GROSS (LOSS)/PROFIT		(434,118)	(1,248,250)	12	14,812
OTHER OPERATING INCOME		4,245,658	39,585	26,833	-
ADMINISTRATIVE EXPENSES		(1,007,784)	(5,331,606)	(645,368)	(5,023,976)
OTHER OPERATING EXPENSES		(641,423)	(22,274,254)	(583,413)	(5,275,423)
PROFIT/(LOSS) FROM OPERATIONS		2,162,333	(28,814,525)	(1,201,936)	(10,284,587)
FINANCE COSTS	*20*	(40,111)	(13,572)	-	-
PROFIT/(LOSS) BEFORE TAXATION	*21*	2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
INCOME TAX EXPENSE	*22*	-	-	-	-
PROFIT/(LOSS) FOR THE YEAR/ TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 March 2017

		Group		*Company*	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Owners of the Company		2,146,647	(27,431,801)	(1,201,936)	(10,284,587)
Non-controlling interests		(24,425)	(1,396,296)	-	-
		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
TOTAL COMPREHENSIVE INCOME/ (LOSS) ATTRIBUTABLE TO:					
Owners of the Company		2,146,647	(27,431,801)	(1,201,936)	(10,284,587)
Non-controlling interests		(24,425)	(1,396,296)	-	-
		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
EARNINGS/(LOSS) PER SHARE					
- Basic (sen)	*24*	*0.22*	*(3.17)*		
- Diluted (sen)	*24*	*0.16*	*N/A*		

The accompanying notes form an integral part of the financial statements.

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 March 2017

	<----Attributable to owners of the Company				---->			
	<----Non-distributable		---->					
	Share capital	Share premium	Warrants reserve	Share option reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1 April 2015	86,671,160	22,254	333,452	-	(22,679,085)	64,347,781	(140,982)	64,206,799
Transactions with owners:								
Share option granted under the Share Issuance Scheme	-	-	-	3,070,200	-	3,070,200	-	3,070,200
Total comprehensive loss for the year	-	-	-	-	(27,431,801)	(27,431,801)	(1,396,296)	(28,828,097)
Balance at 31 March 2016/1 April 2016	86,671,160	22,254	333,452	3,070,200	(50,110,886)	39,986,180	(1,537,278)	38,448,902
Transactions with owners:								
Par value reduction	(43,335,580)	-	-	-	43,335,580	-	-	-
Issuance of ordinary shares under private placement	4,333,550	-	-	-	-	4,333,550	-	4,333,550
Issuance of ordinary shares pursuant to Share Issuance Scheme	8,336,000	1,276,000	-	(3,070,200)	-	6,541,800	-	6,541,800
Total transactions with owners	(30,666,030)	1,276,000	-	(3,070,200)	43,335,580	10,875,350	-	10,875,350
Total comprehensive income/(loss) for the year	-	-	-	-	2,146,647	2,146,647	(24,425)	2,122,222
Balance at 31 March 2017	56,005,130	1,298,254	333,452	-	(4,628,659)	53,008,177	(1,561,703)	51,446,474

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 March 2017

Company	<-----Non-distributable			----->		
	Share capital	Share premium	Warrants reserve	Share option reserve	(Accumulated losses)/Retained profits	Total equity
	RM	RM	RM	RM	RM	RM
Balance at 1 April 2015	86,671,160	22,254	333,452	-	(22,508,496)	64,518,370
Transactions with owners:						
Share option granted under the Share Issuance Scheme	-	-	-	3,070,200	-	3,070,200
Total comprehensive loss for the year	-	-	-	-	(10,284,587)	(10,284,587)
Balance at 31 March 2016/ 1 April 2016	86,671,160	22,254	333,452	3,070,200	(32,793,083)	57,303,983
Transactions with owners:						
Par value reduction	(43,335,580)	-	-	-	43,335,580	-
Issuance of ordinary shares pursuant to private placement	4,333,550	-	-	-	-	4,333,550
Issuance of ordinary shares pursuant to Share Issuance Scheme	8,336,000	1,276,000	-	(3,070,200)	-	6,541,800
Total transactions with owners	(30,666,030)	1,276,000	-	(3,070,200)	43,335,580	10,875,350
Total comprehensive loss for the year	-	-	-	-	(1,201,936)	(1,201,936)
Balance at 31 March 2017	56,005,130	1,298,254	333,452	-	9,340,561	66,977,397

The accompanying notes form an integral part of the financial statements.

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
for the year ended 31 March 2017

		Group		*Company*	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
Adjustments for:					
Bad debts written off		17,427	-	10,359	-
Depreciation	*5*	1,049,727	1,628,607	573,054	572,966
Equity-settled share-based payment		(1,458,200)	3,070,200	(1,458,200)	3,070,200
Fair value (gain)/loss on marketable securities		(4,027,837)	12,960,018	-	-
Gain on disposal of property, plant and equipment		(2,120)	-	-	-
Gain on foreign exchange - unrealised		(188,560)	(39,585)	-	-
Impairment losses on:					
- goodwill	*6*	-	1,595,768	-	-
- investment in subsidiary companies	*7*	-	-	-	1,636,335
- other investments	*8*	-	4,963,223	-	3,065,504
- property, plant and equipment	*5*	-	2,124,326	-	-
Interest expenses		40,111	13,572	-	-
(Gain)/loss on disposal of marketable securities		(73,647)	209,846	-	-
Property, plant and equipment written off		-	618	-	618
Waiver of debts		(26,833)	-	(26,833)	-
Operating loss before working capital changes		(2,547,710)	(2,301,504)	(2,103,556)	(1,938,964)
Proceeds from disposal of marketable securities		4,868,117	9,404,658	-	-
Purchase of marketable securities		(17,281,879)	(10,886,360)	-	-
Decrease/(increase) in inventories		4,591	(154,676)	-	-
(Increase)/decrease in receivables		(1,864,733)	1,740,965	(10,245,210)	234,104
Withdrawal of deposits with a licensed financial institution		-	1,000,000	-	1,000,000
Increase in payables		655,513	480,076	70,532	146,631
Net cash used in operating activities		(16,166,101)	(716,841)	(12,278,234)	(558,229)

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
for the year ended 31 March 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiary company		-	-	-	(50,000)
Purchase of property, plant and equipment		(26,305)	(277,588)	(26,305)	(52,571)
Proceeds from disposal of property, plant and equipment		15,900	-	-	-
Net cash used in investing activities		(10,405)	(277,588)	(26,305)	(102,571)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares pursuant to private placement		4,333,550	-	4,333,550	-
Proceeds from issuance of shares pursuant to Share Issuance Scheme		8,000,000	-	8,000,000	-
Drawdown of short-term borrowing		3,981,037	-	-	-
Interest paid		(40,111)	(13,572)	-	-
Net cash generated from/(used in) financing activities		16,274,476	(13,572)	12,333,550	-
Net increase/(decrease) in cash and cash equivalents		97,970	(1,008,001)	29,011	(660,800)
Cash and cash equivalents at beginning of year		96,364	1,104,365	50,945	711,745
Cash and cash equivalents at end of year		194,334	96,364	79,956	50,945
CASH AND CASH EQUIVALENTS COMPRISE:					
Cash and bank balances		194,334	96,364	79,956	50,945

The accompanying notes form an integral part of the financial statements.

ASIA BIOENERGY TECHNOLOGIES BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2017

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are engaged in technology incubation and investment holding. The principal activities of the subsidiary companies are as set out in *Note 7*. There were no significant changes in the nature of these activities during the financial year.

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is 10th Floor Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The address of the principal place of business of the Company is No. 68, Jalan Waja 2, Taman Industri Waja, 09000 Kulim, Kedah.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Company (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional currency of the Company and its subsidiary companies.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

On 1 April 2016, the Group and the Company adopted the following MFRSs and Amendments to MFRSs issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 January 2016:

MFRS 14 - Regulatory Deferral Accounts

Amendments to MFRS 10 Consolidated Financial Statements - Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 12 Disclosure of Interests in Other Entities - Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure Initiative

Amendments to MFRS 116 Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 Property, Plant and Equipment - Agriculture: Bearer Plants

Amendments to MFRS 127 Consolidated and Separate Financial Statements - Equity Method in Separate Financial Statements

Amendments to MFRS 128 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 138 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 141 Agriculture - Agriculture: Bearer plants

Annual Improvements to MFRSs 2012-2014 Cycle

The adoption of the above MFRS and Amendments to MFRSs did not have any material impacts to the financial statements of the Group and of the Company.

MFRSs, Amendments to MFRSs and Issue Committees ("IC") Interpretation that have been issued but are not yet effective

The Group and the Company have not adopted the following MFRSs, Amendments to MFRSs and IC Interpretation that have been issued but not yet effective:

MFRSs/Amendments to MFRSs/IC Interpretation	**Effective for annual periods beginning on or after**
Amendments to MFRS 107 Statement of Cash Flows – Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Loses	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2017, 1 January 2018
MFRS 9 - Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 - Revenue from Contracts with Customers	1 January 2018
MFRS 15 – Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 140 Investment Property - Transfers of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

MFRSs/Amendments to MFRSs/IC Interpretation	Effective for annual periods beginning on or after
MFRS 16 - Leases	1 January 2019
Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The adoption of these standards and amendments that have been issued but not yet effective are not expected to have a material impact to the financial statements of the Group and of the Company except as discussed below:

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in MFRS 9 are based on expected credit loss model and replace the MFRS 139 Financial Instruments: Recognition and Measurement incurred loss model.

MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group and the Company do not expect a significant change to the measurement basis arising from the adoption of the new classification and measurement model under MFRS 9. Loans and receivables that are currently accounted for using amortised cost will continue to be accounted for using amortised cost model under MFRS 9. For equity securities, the Group will continue to measure its currently held-for-trading equity securities at fair value through profit or loss.

MFRS 9 requires the Group and the Company to record expected credit losses on loans and receivables, either on 12-months or lifetime basis. The Group and the Company expect to apply the simplified approach and record lifetime expected losses on trade receivables. Upon application of the expected credit loss model, the Group and the Company expect an impact to profit or loss due to unsecured nature of the loans and receivables, but the Group and the Company will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

The Group and the Company plan to adopt the new standard on the required effective date without restating comparative information and recognise any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new standard will supersede all current revenue recognition requirements under MFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group and the Company expect the following impact upon adoption of MFRS 15:

Variable consideration

Some contracts with customers provide a right to return, trade discounts or volume rebates. Currently, the Group and the Company recognise revenue from sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group and the Company defer revenue recognition until uncertainty resolved. Such provisions give rise to variable consideration under MFRS 15, and will be required to be estimated at contract inception. MFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group and the Company continue to assess individual contract to determine the estimated variable consideration and related constraint. The Group and the Company expect that application of the constraint may result in more revenue being deferred than is under the current MFRS.

Right of return

The Group and the Company currently recognise provision for the net margin arising from expected returns. Under MFRS 15, an entity estimates the transaction price and recognises revenue based on the amounts to which the entity expects to be entitled through the end of the return period, and recognises such amount of expected returns as a refund liability, representing its obligation to return the customer's consideration. The Group and the Company expect to recognise a liability for the refund obligation and an asset for the right to recover the returned goods under MFRS 15.

The Group and the Company plan to adopt the new standard on the required effective date using the full retrospective approach. The Group and the Company are currently performing a detailed analysis under MFRS 15 to determine their election of the practical expedients and to quantify the transition adjustments on their financial statements.

<u>MFRS 16 Leases</u>

MFRS 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The new standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if MFRS 15 also applied.

The Group and the Company are currently assessing the impact of the new standard and plans to adopt it on the required effective date. The Group and the Company expect the adoption of MFRS 16 will result in increase in total assets and total liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis Of Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(i) Acquisition method of accounting

Acquisition of subsidiary companies is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(ii) Merger accounting for common control business combinations

Under the pooling-of-interests method of accounting, the results of entities or businesses under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired were recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The difference between the cost of acquisition and the nominal value of the shares acquired together with the share premium are taken to merger reserve or merger deficit. The other components of equity of the acquired entities are added to the same components within the Group's equity.

(iii) Non-controlling interest

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Property, Plant And Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, where applicable.

Freehold land is not depreciated.

All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

	%
Factory	2
Buildings	10
Computers	20 - 33.33
Furniture and fittings	10
Lab equipment	10 - 20
Motor vehicles	10 - 20
Office equipment	20
Plant and machinery	10 - 20
Renovation	10
Signboard	10 - 20

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group and the Company are obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

(c) Intangible Assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiary companies exceeds the cost of the business combinations, the excess is recognised as income immediately in profit and loss.

(d) Investment In Subsidiary Companies

Subsidiary companies are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

Investment in subsidiary companies are stated at cost and are written down when there is a permanent impairment in the value of the investments. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

(e) Inventories

Inventories are stated at lower of cost and net realisable value and are determined on the weighted average basis. The cost of inventories comprises actual costs of purchase, incidental costs in bringing the inventories into store and appropriate proportions of manufacturing overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated costs necessary to make the sale.

(f) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group and the Company have a legally enforceable right to offset and intend to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's and the Company's rights to receive payment is established.

  Financial assets at fair value through profit or loss could be presented as current or non-current based on management's strategic intent.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- *Loans and Receivables*

  Loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's and the Company's rights to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

Financial liabilities are recognised in the statements of financial position when, and only when the Group and the Company have become a party to the contractual provision of the financial instrument.

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

- *Financial Liabilities at Fair Value Through Profit or Loss*

  Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges or a derivative that is a financial guarantee contract.

- *Other Financial Liabilities*

  Other financial liabilities are non-derivatives financial liabilities. Other liabilities are subsequently measured at amortised cost using the effective interest method.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

All transactions with the owners of the Company are recorded separately within equity.

A financial asset is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(g) Fair Value Measurement

The Group measures the marketable securities at fair value at the end of the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes places either:

(i) in the principal market for the assets or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Group determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy.

(h) Current Versus Non-current Classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

(i) expected to be realised or intended to be sold or consumed in the normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(i) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss) are assessed at the end of the reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-financial Assets

The carrying amounts of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of the reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

(j) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of the reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(k) Related Parties

A party is related to an entity if:

(i) directly, or indirectly through one or more intermediaries, the party:
  a. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiary companies and fellow subsidiary companies);
  b. has an interest in the entity that gives it significant influence over the entity; or
  c. has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venture;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(l) Foreign Currency

Transactions in foreign currencies are measured in the respectively functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within other income.

All exchange differences are taken to profit or loss.

(m) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

Income from business activities of the Group and of the Company is recognised using the following bases:

(i) Sale Of Marketable Securities

Proceeds from sale of marketable securities are recognised upon transfer of ownership of investments.

(ii) Interest Income

Interest income is recognised on an effective yield basis.

(iii) Dividend Income

Dividend income from investments is recognised when the rights to receive payment is established.

(iv) Sale Of Goods And Services Rendered

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of the Group's and of the Company's activities. Revenue from sale of goods and services rendered are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts, and services are performed.

(n) Income Tax Expense

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(o) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

(ii) Defined Contribution Plans

The Group's and the Company's contributions to defined contribution plans regulated and managed by the government, are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

(iii) Share-based Payment Transactions

Equity-settled Share-based Payment Transactions

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Group's and the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of the reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

(p) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

(q) Earnings Per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Warrants Reserve

Amount allocated in relation to the issuance of warrants is credited to warrants reserve which is non-distributable. Warrants reserve is transferred to share capital or retained profits upon the exercise or expiry of the warrants respectively.

(s) Cash And Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenue.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation Of Property, Plant And Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiary companies recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Impairment Of Loans And Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(d) Impairment Of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(e) Classification Of Financial Assets

The Group classifies its financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables.

The classification of current and non-current financial assets are based on management's strategic intent and will change accordingly as the management's intent changes from time to time.

(f) Impairment Loss On Investment In Subsidiary Companies

The carrying value of investment in subsidiary companies is reviewed for impairment. In the determination of the value-in-use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(g) Write-down Of Inventories

Reviews are made periodically by management on damaged, obsolete and slowing-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(h) Impairment Of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(i) Employees Share Option Scheme (''ESOS'') Reserve

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimates also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

5. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	Freehold land	Factory	Buildings	Computers	Furniture and fittings	Lab equipment	Motor vehicles	Office equipment	Plant and machinery	Renovation	Signboard	Total
Group	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost												
At 1 April 2015	1,000,000	500,000	292,000	56,460	56,500	777,298	133,688	73,533	7,815,345	2,069,040	1,200	12,775,064
Additions	-	-	-	10,908	8,851	-	-	1,272	219,745	34,560	2,252	277,588
Written off	-	-	-	(5,772)	-	-	-	(25,833)	-	-	-	(31,605)
At 31 March 2016	1,000,000	500,000	292,000	61,596	65,351	777,298	133,688	48,972	8,035,090	2,103,600	3,452	13,021,047
Additions	-	-	-	24,205	2,100	-	-	-	-	-	-	26,305
Disposal	-	-	-	-	-	-	-	-	(15,900)	-	-	(15,900)
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	1,000,000	500,000	292,000	77,200	67,451	777,298	133,688	48,972	8,019,190	2,103,600	3,452	13,022,851

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2017 (CONT'D)

	Freehold land	Factory	Buildings	Computers	Furniture and fittings	Lab equipment	Motor vehicles	Office equipment	Plant and machinery	Renovation	Signboard	Total
Group	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated depreciation												
At 1 April 2015	-	6,667	57,201	30,690	3,767	279,069	21,270	29,111	847,469	153,934	80	1,429,258
Charge for the year	-	10,000	29,200	10,484	6,314	155,459	23,138	13,072	1,171,052	209,498	390	1,628,607
Written off	-	-	-	(5,772)	-	-	-	(25,215)	-	-	-	(30,987)
At 31 March 2016	-	16,667	86,401	35,402	10,081	434,528	44,408	16,968	2,018,521	363,432	470	3,026,878
Charge for the year	-	10,000	29,200	13,156	6,675	153,458	23,237	9,795	597,419	206,097	690	1,049,727
Disposal	-	-	-	-	-	-	-	-	(2,120)	-	-	(2,120)
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	-	26,667	115,601	39,957	16,756	587,986	67,645	26,763	2,613,820	569,529	1,160	4,065,884
Accumulated impairment losses												
At 1 April 2015	-	-	-	-	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	6,000	-	-	2,085,727	32,599	-	2,124,326
At 31 March 2016/ 31 March 2017	-	-	-	-	-	6,000	-	-	2,085,727	32,599	-	2,124,326
Net carrying amount												
At 31 March 2017	1,000,000	473,333	176,399	37,243	50,695	183,312	66,043	22,209	3,319,643	1,501,472	2,292	6,832,641
At 31 March 2016	1,000,000	483,333	205,599	26,194	55,270	336,770	89,280	32,004	3,930,842	1,707,569	2,982	7,869,843

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2017 (CONT'D)

	Freehold land	Factory	Buildings	Computers	Furniture and fittings	Lab equipment	Motor vehicles	Office equipment	Plant and machinery	Renovation	Signboard	Total
Company	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost												
At 1 April 2015	1,000,000	500,000	292,000	48,960	56,500	759,835	35,000	35,833	850,000	1,843,100	1,200	5,422,428
Additions	-	-	-	10,908	8,851	-	-	-	-	30,560	2,252	52,571
Written off	-	-	-	(5,772)	-	-	-	(25,833)	-	-	-	(31,605)
At 31 March 2016	1,000,000	500,000	292,000	54,096	65,351	759,835	35,000	10,000	850,000	1,873,660	3,452	5,443,394
Additions	-	-	-	24,205	2,100	-	-	-	-	-	-	26,305
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	1,000,000	500,000	292,000	69,700	67,451	759,835	35,000	10,000	850,000	1,873,660	3,452	5,461,098
Accumulated depreciation												
At 1 April 2015	-	6,667	57,201	30,317	3,767	275,825	2,333	22,540	354,166	135,632	80	888,528
Charge for the year	-	10,000	29,200	8,984	6,314	151,966	3,500	6,008	170,000	186,604	390	572,966
Written off	-	-	-	(5,772)	-	-	-	(25,215)	-	-	-	(30,987)
At 31 March 2016	-	16,667	86,401	33,529	10,081	427,791	5,833	3,333	524,166	322,236	470	1,430,507
Charge for the year	-	10,000	29,200	11,656	6,675	151,966	3,500	2,000	170,000	187,367	690	573,054
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	-	26,667	115,601	36,584	16,756	579,757	9,333	5,333	694,166	509,603	1,160	1,994,960
Net carrying amount												
At 31 March 2017	1,000,000	473,333	176,399	33,116	50,695	180,078	25,667	4,667	155,834	1,364,057	2,292	3,466,138
At 31 March 2016	1,000,000	483,333	205,599	20,567	55,270	332,044	29,167	6,667	325,834	1,551,424	2,982	4,012,887

Group

Impairment loss recognised

In the previous year, a subsidiary company carried out a review on the recoverable amount of its plant and equipment. An impairment loss on the plant and equipment of RM2,124,326 had been recognised by the subsidiary company as there was no future economic benefits expected to be generated through the use of the plant and equipment.

6. INTANGIBLE ASSETS

	Goodwill
Group	RM
Cost	
At 1 April 2015	2,355,570
Acquisition of subsidiary company *(Note 25 (b))*	7,979
At 31 March 2016/31 March 2017	2,363,549
Accumulated impairment losses	
At 1 April 2015	(767,781)
Impairment for the year	(1,595,768)
At 31 March 2016/31 March 2017	(2,363,549)
Carrying amount	
At 31 March 2017	-
At 31 March 2016	-

Group

Impairment loss recognised

In the previous year, impairment loss was provided as the value-in-use of the operating units, based on the cash flows and profitability projection computed by management over three (3) to five (5) years were not able to justify the carrying amount of the goodwill of the operating units.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2017 RM	Company 2016 RM
Unquoted shares, at cost		
At 1 April	9,103,004	9,053,004
Additions	-	50,000
At 31 March	9,103,004	9,103,004
Accumulated impairment losses		
At 1 April	8,300,945	6,664,610
Impairment for the year	-	1,636,335
At 31 March	8,300,945	8,300,945
Net carrying value	802,059	802,059

Details of the subsidiary companies, all of which were incorporated in Malaysia, are as follows:

Name of subsidiary companies	Effective Equity Interest 2017 %	2016 %	Principal activities
Eco-Sponge Sdn. Bhd.	100	100	Engaged in the manufacturing and trading of absorbent chemical compound and other related services and trading of fertilizer related products.
Asiabio Capital Sdn. Bhd. ("ACSB")	100	100	Investing and trading in quoted securities and related activities.
Hexa Bonanza Sdn. Bhd.	50	50	Contractor and technology provider for biomass pelletizing and related equipment.
Asiabio Petroleum Sdn. Bhd. ("APSB")	100	100	Engaged in the business of providing engineering and maintenance services specifically for the oil and gas sector.

Name of subsidiary companies	Effective Equity Interest 2017 %	2016 %	Principal activities
Artisan Semesta Sdn. Bhd. ("ASSB")	100	100	Manufacturing and trading in agricultural related products and supplying solar photovoltaic (PV) energy.

Company

Impairment loss recognised

In previous year, impairment loss was provided for investment in subsidiary companies which had accumulated losses and had deficits in their shareholders' equity. The forecasted financial performance and cash flows of these subsidiary companies, except for ACSB and ASSB were not able to generate sufficient future economic benefits to justify the carrying value of the investment cost in these subsidiary companies.

8. OTHER INVESTMENTS

	Group		*Company*	
	2017 RM	2016 RM	2017 RM	2016 RM
Unquoted shares, *at cost*				
At 1 April/At 31 March	11,941,594	11,941,594	6,242,341	6,242,341
Accumulated impairment losses				
At 1 April	(11,941,594)	(6,978,371)	(6,242,341)	(3,176,837)
Impairment for the year	-	(4,963,223)	-	(3,065,504)
At 31 March	(11,941,594)	(11,941,594)	(6,242,341)	(6,242,341)
Net carrying value				
At 31 March	-	-	-	-

Group and Company

Investment in unquoted shares designated as available-for-sale financial assets, is stated at cost as their fair values cannot be reliably measured using valuation techniques due to lack of marketability of the shares.

Impairment loss recognised

In the previous year, impairment loss was provided for other investments as the forecasted financial performance and cash flows of these investments were not able to generate sufficient future economic benefits to justify the carrying value of these investments.

9. MARKETABLE SECURITIES

	Group 2017 RM	2016 RM
Shown under non-current assets		
Quoted shares, in Malaysia	43,740,371	25,082,345
Shown under current assets		
Quoted shares, in Malaysia	1,881,600	2,855,583
Quoted shares, outside Malaysia	718,384	1,809,127
	2,599,984	4,664,710
Total marketable securities classified as fair value through profit or loss	46,340,355	29,747,055
Market value	*46,340,355*	*29,747,055*

10. INVENTORIES

	Group 2017 RM	2016 RM
At net realisable value:		
Raw materials	80,483	82,771
Finished goods	289,812	292,115
	370,295	374,886

11. TRADE RECEIVABLES

Group

The normal trade credit term granted by the Group is 30 days (2016: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2017 RM	2016 RM	*Company* 2017 RM	2016 RM
Other receivables	25,429	5,440	-	-
Deposits	2,181,670	395,929	58,420	267,860
Prepayments	7,869	16,017	1,920	3,000
	2,214,968	417,386	60,340	270,860

13. AMOUNT OWING BY SUBSIDIARY COMPANIES

Company

The non-trade balances are unsecured, interest free and are repayable on demand.

14. SHARE CAPITAL

	Group and Company			
	2017	2016	2017	2016
	< ------- Number of shares -------- >		RM	RM
Ordinary shares				
Issued and fully paid				
At 1 April	866,711,600	866,711,600	86,671,160	86,671,160
Par value reduction	-	-	(43,335,580)	-
Issued during the year pursuant to private placement	86,671,000	-	4,333,550	-
Exercised of SIS	160,000,000	-	8,336,000	-
At 31 March	1,113,382,600	866,711,600	56,005,130	86,671,160

During the financial year, the Company:

(a) completed the par value reduction from RM0.10 to RM0.05 per share. Pursuant to the par value reduction, the issued share capital of the Company had been reduced from RM86,671,160 comprising 866,711,600 ordinary shares to RM43,335,580 comprising 866,711,600 ordinary shares;

(b) increased its issued share capital from RM43,335,580 to RM47,669,130 by way of the issuance of 86,671,000 new ordinary shares of RM0.05 each pursuant to the private placement of the Company; and

(c) increased its issued share capital from RM47,669,130 to RM56,005,130 by way of the exercise of 160,000,000 new ordinary shares of RM0.05 each pursuant to Share Issuance Scheme ("SIS") of the Company.

The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

Effective from 31 January 2017, the ordinary shares have no par value.

Warrants 2014/2024 ("Warrants")

The number of Warrants remained unexercised at the end of the financial year are as follows:-

	Group and Company	
	2017	2016
	<—Number of warrants—>	
Unexercised Warrants	393,888,400	393,888,400

The Warrants were listed on Bursa Malaysia Securities Berhad on 28 April 2014. Each Warrant entitles its holder the right to subscribe for one ordinary share in the Company at any time up to the expiry date of 19 April 2024 at an exercise price of RM0.10 payable in cash.

15. RESERVES

	Group		*Company*	
	2017 RM	2016 RM	2017 RM	2016 RM
Non-distributable:				
Share premium	1,298,254	22,254	1,298,254	22,254
Warrants reserve	333,452	333,452	333,452	333,452
Share option reserve	-	3,070,200	-	3,070,200
	1,631,706	3,425,906	1,631,706	3,425,906
Distributable:				
(Accumulated losses)/ retained profits	(4,628,659)	(50,110,886)	9,340,561	(32,793,083)
	(2,996,953)	(46,684,980)	10,972,267	(29,367,177)

Share Premium

	Group and Company	
	2017 RM	2016 RM
At 1 April	22,254	22,254
Exercised of SIS	1,276,000	-
At 31 March	1,298,254	22,254

Share premium is not distributable by way of dividends.

Warrants Reserve

Warrants reserve arose from the issuance of Warrants at a fair valuation of RM0.00085 per Warrant.

Share Option Reserve

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shared options, and is reduced by the expiry or exercise of the share options.

The movements of the options are as follows:

	<---------- *Group and Company* ----------> Number of Options				
Date of offer	As at 01.04.2016	Offerred	Lapsed	Exercised	As at 31.03.2017
05.08.2015	86,000,000	-	(86,000,000)	-	-
05.10.2016	-	120,000,000	-	(120,000,000)	-
14.10.2016	-	40,000,000	-	(40,000,000)	-
	86,000,000	160,000,000	(86,000,000)	(160,000,000)	-

The fair value of the options granted of RM0.0357 per option on 5 August 2015 was estimated using the Black-Scholes Option Pricing Model. The key inputs to derive at the fair value of the options measured at the grant date are as follows:-

(a) Share prices based on 5-day Volume Weighted Average Price of the Company's share up to 4 August 2015 of RM0.662;

(b) Share price volatility is assumed at 90 days;

(c) Annual risk free interest rate of 3.61%;

(d) Exercise price of the option of RM0.10 per option; and

(e) Duration of the option to expiry date of 4.98 years.

The fair value of the options granted of RM0.0084 per option on 5 October 2016 was estimated using the Black-Scholes Option Pricing Model. The key inputs to derive at the fair value of the options measured at the grant date are as follows:-

(a) Share prices based on 5-day Volume Weighted Average Price of the Company's share up to 4 October 2016 of RM0.0493;

(b) Share price volatility is assumed at 57 days;

(c) Annual risk free interest rate of 3.53%;

(d) Exercise price of the option of RM0.05 per option; and

(e) Duration of the option to expiry date of 0.156 year.

The fair value of the options granted of RM0.0151 per option on 14 October 2016 was estimated using the Black-Scholes Option Pricing Model. The key inputs to derive at the fair value of the options measured at the grant date are as follows:-

(a) Share prices based on 5-day Volume Weighted Average Price of the Company's share up to 13 October 2016 of RM0.0497;

(b) Share price volatility is assumed at 169 days;

(c) Annual risk free interest rate of 3.50%;

(d) Exercise price of the option of RM0.05 per option; and

(e) Duration of the option to expiry date of 0.463 year.

16. TRADE PAYABLES

Group

Credit terms of trade payables ranged from 60 to 90 days (2016: 60 to 90 days).

17. OTHER PAYABLES AND ACCRUALS

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other payables	342,323	274,269	116,819	161,740
Amount owing to directors	51,254	8,504	51,254	8,504
Accruals	174,008	101,307	121,574	75,704
	567,585	384,080	289,647	245,948

Group and Company

The amount owing to directors are unsecured, interest free and are repayable on demand.

18. SHORT-TERM BORROWING

The short-term borrowing is denominated in United State Dollar ("USD"), unsecured and granted by licensed financial institution.

The short-term borrowing bears effective interest rate at LIBOR + 3% (2016: Nil) per annum and is repayable on demand.

19. REVENUE

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Dividend income	7,827	7,716	-	-
Sale of goods and services	478,096	91,000	-	-
Proceeds from sale of marketable securities	4,868,117	9,404,658	-	-
Interest income	12	14,812	12	14,812
	5,354,052	9,518,186	12	14,812

Gain/(loss) on disposal of marketable securities is arrived at based on the following:

	Group	
	2017	2016
	RM	RM
Proceeds from sale of marketable securities	4,868,117	9,404,658
Less: Cost of investments	(7,151,181)	(8,697,531)
(Loss)/gain on disposal	(2,283,064)	707,127
Add: Previously recognised fair value changes	2,356,711	(916,973)
Gain/(loss) on disposal recognised in profit or loss	73,647	(209,846)

Gain/(loss) on disposal of marketable securities represents the difference between an instrument's carrying amount and disposal proceeds.

20. FINANCE COSTS

	Group	
	2017	2016
	RM	RM
Other interest	40,111	13,572

21. PROFIT/(LOSS) BEFORE TAXATION

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Profit/(loss) before taxation is stated *after charging:*				
Auditors' remuneration:				
- current year's provision	54,000	59,000	25,000	29,000
- under provision in respect of prior year	8,950	11,300	1,000	1,000
- other services	5,000	5,000	5,000	5,000
Bad debts written off	17,427	-	10,359	-
Depreciation	1,049,727	1,628,607	573,054	572,966
Fair value loss on marketable securities	-	12,960,018	-	-
Impairment losses on				
- goodwill	-	1,595,768	-	-
- investment in subsidiary companies	-	-	-	1,636,335
- other investments	-	4,963,223	-	3,065,504
- property, plant and equipment	-	2,124,326	-	-
Loss on disposal of marketable securities	-	209,846	-	-
Loss on foreign exchange				
- realised	-	78,225	-	-
Property, plant and equipment written off	-	618	-	618
Rental of equipment	-	26,400	-	-
Rental of premises	83,500	66,500	78,500	62,500
Staff costs *(Note 23)*	(167,651)	4,108,025	(289,776)	4,015,639
and crediting:				
Fair value gain on marketable securities	4,027,837	-	-	-
Gain on disposal of marketable securities	73,647	-	-	-
Gain on disposal of plant, property and equipment	2,120	-	-	-
Gain on foreign exchange				
- unrealised	188,560	39,585	-	-
Waiver of debts	26,833	-	26,833	-

22. INCOME TAX EXPENSE

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Malaysian income tax:				
- current year's provision	-	-	-	-

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Profit/(loss) before taxation	2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
Income tax expense at Malaysian statutory tax rate of 24% (2016: 24%)	509,333	(6,918,743)	(288,465)	(2,468,301)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	311,689	6,408,740	288,465	2,468,301
- income not subject to tax	(1,577,546)	(161,769)	-	-
- deferred tax assets not recognised during the year	756,524	812,457	-	-
- utilisation of deferred tax assets not recognised in respect of prior year	-	(140,685)	-	-
	(509,333)	6,918,743	288,465	2,468,301
	-	-	-	-

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group 2017 RM	*Group* 2016 RM
Excess of capital allowances claimed over corresponding accumulated depreciation	(1,553,927)	(1,399,699)
Excess of accumulated depreciation over corresponding capital allowances claimed	709,870	1,122,045
Unutilised capital allowances	4,397,877	3,386,160
Unabsorbed business losses	8,738,074	6,031,209
	12,291,894	9,139,715

23. STAFF COSTS

The staff costs recognised in profit or loss are as follows:

	Group 2017 RM	*Group* 2016 RM	*Company* 2017 RM	*Company* 2016 RM
Salaries and wages	1,023,492	814,239	908,288	735,371
Defined contribution plan	108,207	78,269	102,145	78,269
Other employee benefits	158,850	145,317	157,991	131,799
Equity-settled share-based payment	(1,458,200)	3,070,200	(1,458,200)	3,070,200
	(167,651)	4,108,025	(289,776)	4,015,639

Included in staff costs are:

	Group 2017 RM	*Group* 2016 RM	*Company* 2017 RM	*Company* 2016 RM
Directors' remuneration:				
- fee	72,012	102,004	72,012	102,004
- Salaries and other emoluments	291,167	233,298	275,159	220,780

24. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per ordinary share

The basic earnings/(loss) per ordinary share as at 31 March 2017 is arrived at by dividing the Group's profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares outstanding and calculated as follows:

	Group	
	2017	2016
Profit/(loss) attributable to the owners of the Company (RM)	2,146,647	(27,431,801)
Weighted average number of ordinary shares:		
Issued ordinary shares at 31 March	866,711,600	866,711,600
Effect of new ordinary shares pursuant to private placement	72,462,639	-
Effect of new ordinary shares pursuant to the exercised of SIS	47,759,563	-
Weighted average number of ordinary shares at 31 March	986,933,802	866,711,600
Basic earnings/(loss) per share (sen)	0.22	(3.17)

(b) Diluted earnings per ordinary share

	Group	
	2017	2016
Profit/(loss) attributable to the owners of the Company (RM)	2,146,647	(27,431,801)
Weighted average number of ordinary shares:		
Issued ordinary shares at 31 March	986,933,802	866,711,600
Effects of exercised of Warrants	393,888,400	393,888,400
Weighted average number of ordinary shares at 31 March	1,380,822,202	1,260,600,000
Diluted earnings per share (sen)	0.16	N/A

N/A: The diluted loss per share is not presented as the Warrants would be anti-dilutive since the exercise price is higher than the fair value of the Company's share.

25. ACQUISITION OF SUBSIDIARY COMPANY

(a) On 9 April 2015, the Company acquired the entire share capital of ASSB for a total cash consideration of RM2. Consequently, ASSB became a 100% owned subsidiary company of the Company.

(b) The fair values of the identifiable assets and liabilities of the subsidiary company acquired as at the date of acquisition were as follows:-

	Acquiree's carrying amount and fair value recognised on acquisition 2016 RM
Cash and cash equivalents	2
Trade payables and accruals	(7,979)
Net identifiable liabilities	(7,977)
Group's share of net liabilities	(7,977)
Add: Goodwill on consolidation *(Note 6)*	7,979
Total purchase consideration	2
Less: Cash and cash equivalents acquired	(2)
Net cash flow on acquisition of subsidiary company	-

(c) The acquired subsidiary company has contributed the following results to the Group:-

	From 09.04.15, the date of acquisition to 31.03.2016 RM
Revenue	-
Other operating expenses	(32,253)
Loss before taxation	(32,253)
Income tax expense	-
Loss for the period	(32,253)

(d) If the acquisition took place at the beginning of the previous financial year, the management estimates that the consolidated revenue and consolidated loss after taxation for the year ended 31 March 2016 would have been RM9,518,186 and RM28,860,350 respectively.

26. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

i. The Company has a controlling related party relationships with its direct subsidiary companies as disclosed in *Note 7*;

ii. A company where a director of the Company is also the director; and

iii. The directors who are the key management personnel.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the year:

Transactions with related parties

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Rental paid to a company where a director of the Company is also a director	78,500	-	78,500	-
Proceeds from disposal of property, plant and equipment to a company where a director of the Company is also a director	15,900	-	-	-

(c) Compensation of key management personnel

Key management personnel includes the Company's and its subsidiary companies' Executive and Non-executive Directors and are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or of the Company either directly or indirectly.

The aggregate amounts of emoluments received and receivable by directors of the Company and of the subsidiary companies during the financial year are as follows:-

	Group		*Company*	
	2017 RM	2016 RM	2017 RM	2016 RM
Short-term employee benefit expenses				
Executive Directors:-				
- salaries and other emoluments	256,905	189,240	240,897	189,240
Non-executive Directors:-				
- other emoluments	11,222	21,978	11,222	9,460
- fees	72,012	102,004	72,012	102,004
	340,139	313,222	324,131	300,704
Long-term employee benefit expenses				
Executive Directors:-				
- defined contribution plan	23,040	22,080	23,040	22,080
	363,179	335,302	347,171	322,784

Details of directors' emoluments of the Group and of the Company paid/payable for the financial year are as follows:-

	Group and Company	
	2017	2016
Executive Directors:-		
RM50,000 and below	-	-
RM50,001 - RM150,000	2	2
Non-executive Directors:-		
RM50,000 and below	4	8

27. FINANCIAL INSTRUMENTS

The Group's and the Company's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and on the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policy seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's and the Company's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(a) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than RM. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The net unhedged financial assets and liabilities of the Group not denominated in RM were as follows:-

	Group	
	Australian Dollar	
	2017	2016
	RM	RM
Financial assets		
Trade receivables	-	303,853
Marketable securities	718,384	677,890
Currency exposure	718,384	981,743

	United States Dollar	
	2017	2016
	RM	RM
Financial assets		
Marketable securities	1,881,600	741,088
Deposits	2,035,040	-
Financial liabilities		
Short-term borrowings	3,981,037	-
Currency exposure	(64,397)	741,088

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	Group	
	2017	2016
	RM	RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on profit after tax/equity		
Strengthened by 10%		
- Australian Dollar	54,597	74,612
- United States Dollar	(4,894)	56,323
Weakened by 10%		
- Australian Dollar	(54,597)	(74,612)
- United States Dollar	4,894	(56,323)

(b) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposures to interest rate risk arise mainly from interest bearing borrowings. The Group's and the Company's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

Interest Rate Risk Sensitivity Analysis

Floating Rate Instruments

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	Group	
	2017	2016
	RM	RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on profit after tax/equity		
Increase of 100 basis points (bp)	(401)	(136)
Decrease of 100 bp	401	136

(c) Equity Price Risk

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad and the quoted instruments in overseas are listed on the listing platforms overseas. These instruments are classified as fair value through profit or loss financial assets. The Group does not have exposure to commodity price risk.

Equity Price Risk Sensitivity Analysis

A 10% (2016: 10%) increase in the market price of the investment as at the end of the reporting period would have increased equity by RM4,634,036 (2016: RM2,974,705). A 10% (2016: 10%) decrease in market price would have had equal but opposite effect on equity.

(ii) Credit Risk

The Group's and the Company's exposures to credit risk, or the risk of counterparties defaulting, arise mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to Credit Risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

The credit risk with respect to trade and other receivables are managed through the application of credit approvals, credit limits and monitoring procedures. Credit is extended to the customers based upon careful evaluation of the customer's financial condition and credit history.

The Group's normal credit term is 30 days (2016: 30 days). Any other credit terms are assessed and approved by a case-by-case basis. Notwithstanding the credit terms granted to customers, it is the industry norm to begin counting the credit period from the first day of the immediate following month after sales transaction occurred, i.e. invoicing date.

The Group's major concentration of credit risk relates to amount owing by three (2016: two) customers constituting 100% (2016: 100%) of the outstanding trade receivables of Group as at reporting period.

Ageing Analysis

The ageing analysis of the Group's trade receivables at the reporting date is as follows:-

	Group Carrying amount 2017 RM	Carrying amount 2016 RM
Not past due	860,224	762,044

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding.

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group	Carrying Amount	Contractual Undiscounted Cash Flows	On Demand Or Within 1 Year	Total
2017	RM	RM	RM	RM
Trade payables	817,721	817,721	817,721	817,721
Other payables and accruals	567,585	567,585	567,585	567,585
Short-term borrowing	3,981,037	3,981,037	3,981,037	3,981,037
	5,366,343	5,366,343	5,366,343	5,366,343
2016	RM	RM	RM	RM
Trade payables	434,596	434,596	434,596	434,596
Other payables and accruals	384,080	384,080	384,080	384,080
	818,676	818,676	818,676	818,676

Company	Carrying Amount	Contractual Undiscounted Cash Flows	On Demand Or Within 1 Year	Total
2017	RM	RM	RM	RM
Other payables and accruals	289,647	289,647	289,647	289,647
2016	RM	RM	RM	RM
Other payables and accruals	245,948	245,948	245,948	245,948

(b) Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The Group's and the Company's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities less cash and cash equivalents.

The debt-to-equity ratio of the Group and of the Company as at the end of the financial year was as follows:

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Total liabilities	5,366,343	818,676	289,647	245,948
Less: Cash and cash equivalents	(194,334)	(96,364)	(79,956)	(50,945)
Net debt	5,172,009	722,312	209,691	195,003
Total equity attributable to owners of the Company	53,008,177	39,986,180	66,977,397	57,303,983
Debt-to-equity ratio	0.098	0.018	0.003	0.003

(c) Classification Of Financial Instruments

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Financial assets				
Loans and receivables				
Trade receivables	860,224	762,044	-	-
Other receivables and deposits	2,207,099	401,369	58,420	267,860
Amount owing by subsidiary companies	-	-	62,858,551	52,413,180
Cash and bank balances	194,334	96,364	79,956	50,945
	3,261,657	1,259,777	62,996,927	52,731,985
Fair value through profit or loss				
Marketable securities	46,340,355	29,747,055	-	-
Financial liabilities				
Other financial liabilities				
Trade payables	817,721	434,596	-	-
Other payables and accruals	567,585	384,080	289,647	245,948
Short-term borrowing	3,981,037	-	-	-
	5,366,343	818,676	289,647	245,948

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values due to the relatively short-term nature except for the marketable securities which are carried at fair value through profit or loss and other investments.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Other investments

It is not practicable to estimate the fair value of other investments (investment in unquoted shares) due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

(e) Fair Value Hierarchy

The fair value measurement hierarchies used to measure financial assets carried at fair value in the statements of financial position as at 31 March 2017 are as follows:

(i) Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

(ii) Level 2 fair value is estimated using inputs other than unquoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

(iii) Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

	Group 2017 RM	2016 RM
Level 1		
Marketable securities	46,340,355	29,747,055

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 3 as at 31 March 2017.

28. OPERATING SEGMENTS

Operating segments are determined to be business segments as the Group's risks and returns are affected predominantly by differences in the products and services provided.

The amounts for investment holding activities and subsidiary companies which have ceased operations are classified as other non-reportable segments. These amounts are included in the reconciliation of the total reportable segment amounts to the consolidated financial statements.

The Group is organised into main business segments as follows:

(a) Technology incubation

Technology incubator, provision of management and strategic advisory services, research related activities and sale of machineries with the objective of commercialising technologies in bio-energy and biotechnology sectors.

(b) Portfolio investment

Portfolio investment in quoted and unquoted shares.

(c) Biotechnology products

Engineering, procurement and technology provision for biomass power plants as well as production and sale of microbial related products.

(d) Oil & gas services

Providing engineering and maintenance services specifically for the oil and gas sector.

During the financial year, the Executive Directors have revised the measurement and classification of the segments which resulted in a new segment namely oil and gas services being created.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2017 (CONT'D)

Business segment

Group *2017*	Technology incubation RM	Portfolio investment RM	Biotechnology products RM	Oil & gas services RM	Elimination RM	Total RM
Revenue						
Sales to external customers	12	4,875,944	35,100	442,996	-	5,354,052
Results						
Segment results	-	4,229,128	(687,892)	(176,967)	-	3,364,269
Interest expenses	-	(40,111)	-	-	-	(40,111)
Net unallocated expenses	-	-	-	-	-	(1,201,936)
Profit before taxation	-	-	-	-	-	2,122,222
Income tax expense	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	2,122,222
Assets						
Segment assets	3,606,433	49,122,472	3,958,937	124,975	-	56,812,817
Total assets	3,606,433	49,122,472	3,958,937	124,975	-	56,812,817
Liabilities						
Segment liabilities	303,942	4,814,328	244,918	3,155	-	5,366,343
Total liabilities	303,942	4,814,328	244,918	3,155	-	5,366,343

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2017 (CONT'D)

Group	Technology incubation	Portfolio investment	Biotechnology products	Oil & gas services	Elimination	Total
	RM	RM	RM	RM	RM	RM
2017						
Other information						
Capital expenditures	26,305	-	-	-	-	26,305
Depreciation of property, plant and equipment	573,054	7,117	469,556	-	-	1,049,727
Bad debts written off	10,359	-	7,068	-	-	17,427
Fair value gain on marketable securities	-	(4,027,837)	-	-	-	(4,027,837)

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2017 (CONT'D)

Group *2016*	Technology incubation RM	Portfolio investment RM	Biotechnology products RM	Elimination RM	Total RM
Revenue					
Sales to external customers	2,109,919	7,317,267	91,000	-	9,518,186
Results					
Segment results	(10,106,273)	(5,633,663)	(3,430,309)	-	(19,170,245)
Interest expenses	-	-	-	-	(13,572)
Net unallocated expenses	-	-	-	-	(9,644,280)
Loss before taxation	-	-	-	-	(28,828,097)
Income tax expense	-	-	-	-	-
Loss for the year	-	-	-	-	(28,828,097)
Assets					
Segment assets	29,418,033	5,461,167	4,388,378	-	39,267,578
Total assets	29,418,033	5,461,167	4,388,378	-	39,267,578
Liabilities					
Segment liabilities	259,043	451,679	107,954	-	818,676
Total liabilities	259,043	451,679	107,954	-	818,676

Group *2016*	Technology incubation RM	Portfolio investment RM	Biotechnology products RM	Elimination RM	Total RM
Other information					
Capital expenditures	52,571	-	225,017	-	277,588
Depreciation of property, plant and equipment	572,966	7,118	1,048,523	-	1,628,607
Property, plant and equipment written off	618	-	-	-	618
Fair value loss on marketable securities	10,093,957	2,866,061	-	-	12,960,018
Impairment losses on:					
- goodwill	1,595,768	-	-	-	1,595,768
- other investments	2,479,336	2,483,887	-	-	4,963,223
- property, plant and equipment	-	-	2,124,326	-	2,124,326

Major customers

Revenue from three (2016: two) major customers, with revenue equals to 100% (2016: 99%) of the Group's revenue, amounts to RM5,354,045 (2016: RM9,518,186).

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a) On 21 April 2016, the Company announced that an office copy of the sealed order of the High Court of Malaya confirming the par value reduction has been lodged with the Companies Commission of Malaysia and hence the par value reduction shall take effect and deemed completed. The issued and paid-up share capital of the Company was reduced from RM86,671,160 to RM43,335,580 pursuant to the par value reduction.

b) On 23 May 2016, the Company announced to fix the issue price of RM0.05 each for the Proposed Private Placement.

On 30 May 2016, the Company announced to re-fix the issue price of RM0.05 each for the Proposed Private Placement as the payment for the placement shares has not been received within five market days after the initial price-fixing date on 23 May 2016.

On 31 May 2016, the Company completed the Proposed Private Placement of 86,671,000 new ordinary shares at an issue price of RM0.05 each.

c) During the financial year, the Company announced that it has offered options under share issuance scheme as per the following tranche:

i. On 5 October 2016, the Company offered 2nd tranche of 120,000,000 options at exercise price of RM0.05 each to eligible employees. The options offered have accepted by the respective eligible employees on the same date.

ii. On 14 October 2016, the Company offered 3rd tranche of 40,000,000 options at exercise price of RM0.05 each to eligible employee. The options offered has accepted by the respective eligible employee on the same date.

d) During the financial year, the Company listing of new ordinary shares under share issuance scheme are as below:

i. On 28 October 2016, the Company announced the issued and paid-up share capital was increased from RM47,669,130 to RM51,669,130 by listing of 80,000,000 new ordinary shares at an issue price of RM0.05 each.

ii. On 30 November 2016, the Company announced the issued and paid-up share capital was increased from RM51,669,130 to RM53,669,130 by listing of 40,000,000 new ordinary shares at an issue price of RM0.05 each.

iii. On 30 March 2017, the Company announced the issued and paid-up share capital was increased from RM53,669,130 to RM56,005,130 by listing of 40,000,000 new ordinary shares at an issue price of RM0.05 each.

e) On 1 November 2016, the Company announced that AsiaBio Petroleum Sdn. Bhd. ("APSB"), a wholly-owned subsidiary company had entered into a Collaboration Agreement and Appointment of Preferred Contractor ("Agreement") with Coral Alliance Sdn. Bhd. ("CORAL") to collaborate in undertaking and completing work and/or services with a value of up to RM30 million which may be awarded to CORAL from time to time. APSB and CORAL also agree that APSB shall be the preferred and independent contractor for the project which may be awarded by CORAL to APSB from time to time ("Project") for the duration of the Agreement.

f) On 19 December 2016, the Company entered into a Memorandum of Intent ("MOI") with Rangkain Iltizam Sdn. Bhd. ("RISB") to work together to extend the basis for commercial collaboration and co-operative exchanges between the Company and RISB. The scope of cooperation and collaboration includes:-

   i. Biogas Energy Generation facilities;

   ii. Organic Fertilizer production facilities;

   iii. Organic Animal Feed production facilities; and

   iv. Proprietary or contract farming of Sorghum

   As at report date there was no material development on the status of the MOI since signing of the MOI.

g) On 15 February 2017, the Company announced that its wholly-owned subsidiary APSB had entered into a Memorandum of Intent ("MOI") with Acme Chemicals (Malaysia) Sdn. Bhd. ("ACME") and Sejahtera Bumisama Sdn. Bhd. ("SBSB") to cooperate and collaborate to set up an integrated chemical blending and warehousing facilities to be based in Bintulu to specifically target multi-national well service companies supplying oilfield chemicals to Oil & Gas companies operating in Malaysia, which may include production chemicals, well stimulation and cementing chemicals, and drilling fluids ("Toll Blending business") and to establish collaboration and explore opportunities to develop, support, implement plans and undertake activities to establish the Toll Blending business that is beneficial to APSB, ACME and SBSB. As at report date there was no material development on the status of the MOI since singing of the MOI.

30. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

a) After the financial year, the Company announced that it has offered options under share issuance scheme as per the following tranche:

   i. On 4 April 2017, the Company offered 4th tranche of 43,000,000 options at exercise price of RM0.05 each to eligible employee. The options offered has accepted by the respective eligible employee on the same date.

   ii. On 17 May 2017, the Company offered 5th tranche of 83,000,000 options at exercise price of RM0.055 each to eligible employees. The options offered have accepted by the respective eligible employees on the same date. Pursuant to the share consolidation, the 83,000,000 options offered had been adjusted to 27,665,500.

b) After the financial year, the Company listing of new ordinary shares under share issuance scheme are as below:

   i. On 5 May 2017, the Company announced the issued and paid-up share capital was increased from RM55,669,130 to RM57,819,130 by listing of 43,000,000 new ordinary shares at an issue price of RM0.05 each.

   ii. On 8 June 2017, the Company announced the issued and paid-up share capital was increased from RM57,819,130 to RM62,383,937.50 by listing of 27,665,500 new ordinary shares at an issue price of RM0.055 each.

c) On 17 April 2017, the Company announced the proposal to undertake the consolidation of every 3 ordinary shares in the Company ("ABT Shares") into 1 ABT Share ("Proposed Share Consolidation").

   On 27 April 2017 and 19 May 2017, the Company had granted approval from Bursa Malaysia Securities Berhad and shareholders respectively for the proposed Share Consolidation.

   On 6 June 2017, the Company announced that on 5 June 2017 had issued 385,459,275 Consolidated Shares to the Shareholders, adjusted number of 131,295,625 Warrants A to the holders of outstanding Warrants A and the Proposed Share Consolidation had been completed by following the listing and quotation of the Consolidated Shares and Consolidated Warrants A on the ACE Market of Bursa Securities.

d) On 23 May 2017, the Company entered into an agreement to dispose of 19% equity interest of Yellow Choice Sdn. Bhd. Comprising 19,000 ordinary shares for a total consideration of RM 40,000.

e) On 1 June 2017, the Company announced that the Company and its wholly-owned subsidiary company, APSB, had acquired one (1) ordinary share representing 100% of the share capital of Goodwill Selected Sdn. Bhd. ("GSSB") and Matrix Concord Sdn. Bhd. ("MCSB") for a total cash consideration of RM2 (RM1 each company) respectively. Subsequent to the acquisitions, GSSB shall become the wholly owned subsidiary company of the Company and MCSB shall become the wholly owned subsidiary company of APSB.

f) On 5 June 2017, the Company announced that its wholly-owned subsidiary AsiaBio Capital Sdn. Bhd. ("ACSB") had on 3 June 2017 entered into a Memorandum of Understanding ("MOU") with Hong Kong YRZC International Group Co Ltd, Shan Xi Hong Hui Food Limited Liability Co and Shan Dong Wang Jia Yuan Zi Halal Food Brewing Co Ltd. to form a collaboration between Malaysia and China to produce and export Halal-certified food products to global marketplace.

g) On 8 June 2017, the Company announced that its wholly-owned subsidiary company, APSB has on 7 June 2017 received a letter of award ("LOA") from Tenisha Construction Sdn. Bhd. for the subcontracting work involving the design, erect, inspect, maintain and dismantle of scaffolding systems for the Utilities, Interconnecting, Office site (UIO) Facilities. The contract value is expected to be on a unit rate basis as set in the LOA for works carrying RM220 million in total estimated value over a thirty (30) months period.

h) On 18 June 2017, the Company announced to acquire the entire share of a shelf limited company incorporated in British Virgin Islands known as Perfect Power Group Limited on 16 June 2017 at a total consideration of USD100.00 (US Dollar One Hundred), equivalent to RM427.85 (Ringgit Malaysia Four Hundred Twenty Seven and Sen Eighty Five).

31. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 5 July 2017 by the Board of Directors.

SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS/(ACCUMULATED LOSSES) INTO REALISED AND UNREALISED

The breakdown of the retained earnings/(accumulated losses) of the Group and the Company at the end of reporting period into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		*Company*	
	2017	2016	2017	2016
	RM	RM	RM	RM
Total (accumulated losses)/retained profits of the Group and of the Company				
- Realised	(9,913,232)	(53,912,834)	11,308,267	(29,367,177)
- Unrealised	(1,967,706)	(3,425,906)	(1,967,706)	(3,425,906)
Less: Consolidation adjustments	7,252,279	7,227,854	-	-
(Accumulated losses)/retained profits of the Group and of the Company	(4,628,659)	(50,110,886)	9,340,561	(32,793,083)

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter for the period ended 30 June 2017 RM'000	**Preceding year corresponding quarter ended 30 June 2016 RM'000**	**Current year-to-date for the period ended 30 June 2017 RM'000**	**Preceding year corresponding period ended 30 June 2016 RM'000**
Revenue	1,909	1,507	1,909	1,507
Cost of sales	(2,260)	(1,947)	(2,260)	(1,947)
Gross loss	(351)	(440)	(351)	(440)
Other operating income	43,797	3	43,797	3
Operating expenses	(4,272)	(616)	(4,272)	(616)
Other operating expenses				
- Fair value loss on investment securities	-	(6,630)	-	(6,630)
Finance costs	(101)	(6)	(101)	(6)
Profit/(Loss) before taxation	39,073	(7,689)	39,073	(7,689)
Tax expense	-	-	-	-
Profit/(Loss) for the period	39,073	(7,689)	39,073	(7,689)
Total comprehensive income/(loss) for the period	39,073	(7,689)	39,073	(7,689)
Profit/(Loss) attributable to:				
Owners of the Company	39,088	(7,683)	39,088	(7,683)
Non-controlling interest	(15)	(6)	(15)	(6)
	39,073	(7,689)	39,073	(7,689)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	39,088	(7,683)	39,088	(7,683)
Non-controlling interest	(15)	(6)	(15)	(6)
	39,073	(7,689)	39,073	(7,689)
Earnings/(Loss) Per Share attributable to equity owners of the Company (sen)				
- Basic	9.71	(0.86)	9.71	(0.86)
- Diluted	7.32	N/A	7.32	N/A

Notes:
The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 30 June 2017 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 March 2017.

The accompanying notes are an integral part of this quarterly report.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited As at 30 June 2017 RM'000	Audited As at 31 March 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,573	6,833
Investment securities	92,060	43,741
	98,633	50,574
Current assets		
Trade and other receivables, deposit and prepayments	2,029	3,075
Investment securities	1,624	2,600
Inventories	370	370
Cash and cash equivalents	5,507	194
	9,530	6,239
TOTAL ASSETS	108,163	56,813
EQUITY AND LIABILITIES		
Share capital	63,983	56,005
Reserves	1,632	1,632
Retained profits/(Accumulated losses)	34,458	(4,629)
Total equity attributable to owners of the Company	100,073	53,008
Non-controlling interest	(1,576)	(1,562)
Total equity	98,497	51,446
Current liabilities		
Trade and other payables	2,281	1,386
Borrowing	7,385	3,981
Deferred income	-	-
Total current liabilities	9,666	5,367
Total liabilities	9,666	5,367
TOTAL EQUITY AND LIABILITIES	108,163	56,813
Net assets per share attributable to equity holders of the Company (sen)	8.34	4.76
Notes:	-	-

The condensed consolidated statement of financial position is prepared based on the consolidated results of the Group for the quarter ended 30 June 2017 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 March 2017.

Net assets per share is arrived at based on the total Group's net assets over the 413,124,775 ordinary shares in issue as at 30 June 2017.

The accompanying notes are an integral part of this quarterly report.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	---------- Attributable to Owners of the Company ----------							
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Share Option Reserve RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Audited								
Balance as at 1 April 2016	86,671	22	334	3,070	(50,111)	39,986	(1,537)	38,449
Total comprehensive profit for the year	-	-	-	-	2,146	2,146	(24)	2,122
Transaction with owners:								
Par Value Reduction	(43,335)	-	-	-	43,335	-	-	-
Share Option granted under the SIS				2,398	-	2,398	-	2,398
Issuance of ordinary shares pursuant to SIS	8,336	1,276		(5,468)	-	4,144	-	4,144
Ordinary shares issued	4,333	-	-	-	-	4,333	-	4,333
Total transctions with owners	(30,666)	1,276	-	(3,070)	43,335	10,875	-	10,875
Balance as at 31 March 2017	56,005	1,298	334	-	(4,630)	53,007	(1,561)	51,446
Unaudited								
Balance as at 1 April 2017	56,005	1,298	334	-	(4,630)	53,007	(1,561)	51,446
Total comprehensive profit for the period	-	-	-	-	39,088	39,088	(15)	39,073
Transaction with owners:								
Issuance of ordinary shares pursuant to SIS	7,978	-	-	-	-	7,978	-	7,978
Balance as at 30 June 2017	63,983	1,298	334	-	34,458	100,073	(1,576)	98,497

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 30 June 2017 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 March 2017.

The accompanying notes are an integral part of this quarterly report.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	Period ended 30 June 2017 RM'000	Year ended 31 March 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	39,073	2,122
Adjustments for :		
Depreciation of property, plant and equipment	259	1,050
Dividend income	-	(8)
Gain on disposal of PPE	-	(2)
Gain on disposal of investment	(40)	-
Bad debt written off	-	17
Share-based payment reserve	1,263	(1,458)
Loss/(Gain) on disposal of investment securities	119	(74)
Fair value gain on investment securities	(43,490)	(4,028)
Gain on unrealised foreign exchange	(266)	(188)
Interest expense	101	40
Waiver of debt	-	(27)
Operating loss before working capital changes	(2,981)	(2,556)
Changes in working capital:		
Proceeds from disposal of Investment securities	1,909	4,868
Purchase of investment securities	(5,896)	(17,282)
Decrease in inventories	-	5
Decrease/(Increase) in trade and other receivables	1,046	(1,865)
Increase in trade and other payables	947	656
Cash generated used in operations	(4,975)	(16,174)
Dividend received	-	8
Interest received	-	-
Net cash used in operating activities	(4,975)	(16,166)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(26)
Proceeds from disposal of PPE	-	16
Proceeds from disposal of investment	40	-
Net cash used in investing activities	40	(10)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	4,333
Proceeds from exercise of SIS	6,715	8,000
Borrowing	3,634	3,981
Interest paid	(101)	(40)
Net cash generated from financing activities	10,248	16,274
Net increase in cash and cash equivalents	5,313	98
Cash and cash equivalents at beginning of the year	194	96
Cash and cash equivalents at end of the period	5,507	194
Cash and cash equivalents consist of:		
Cash and bank balances	5,507	194

Notes:

The condensed consolidated statements of cash flow for the quarter ended 30 June 2017 is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 March 2017.

The accompanying notes are an integral part of this quarterly report.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Compliance with Malaysia Financial Reporting Standard (FRS) 134, and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standard ("MFRS") No. 134: Interim Financial Reporting, and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR").

The interim financial statements should be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 March 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to and understanding the changes in the financial position and performance of the Group for the financial quarter ended 30 June 2017.

A2 Auditors' report on preceding annual financial statements

There were no audit qualifications in relation to the audited consolidated financial statements of ABT for the financial year ended 31 March 2017.

A3 Seasonal or cyclical factors

There are no seasonal or cyclical factors which materially affect the Group as the primary business of the Group is that of a technology incubator.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

A5 Material changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter and financial year-to-date results.

A6 Debt and equity securities

Save as disclosed in the following, there were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the financial quarter ended 30 June 2017.

i) On 17 April 2017, the Company announced to undertake the consolidation of every 3 ordinary shares in the Company into 1 ABT share and the share consolidation had been completed on 5 June 2017 by following of issued 385,459,275 Consolidated Shares to the Shareholders, adjusted number of 131,295,625 Warrant A to the holders of outstanding Warrant A on the ACE Market of Bursa Securities.

ii) On 5 May 2017, the issued share capital of the Company was increased from RM56,005,130 to RM58,555,030 by listing of 43,000,000 new ordinary shares pursuant to the exercise of SIS.

iii) On 8 June 2017, the issued share capital of the Company was increased from RM58,555,030 to RM63,983,037.50 by listing of 27,665,500 new ordinary shares pursuant to the exercise of SIS.

A7 Dividend paid

There were no dividends paid by the Company during the financial quarter ended 30 June 2017.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017

A NOTES TO THE INTERIM FINANCIAL REPORT

A8 Segmental information

Segment information based on the Group's activities is set out below. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Cumulative Quarter Ended 30 June 2017

	Incubation RM'000	Portfolio Investment RM'000	Green Technology products RM'000	O & G services RM'000	Elimination RM'000	Group RM'000
Revenue						
External sales	-	1,909	-	-		1,909
Intersegment revenue	-	-	-	-	-	-
	-	1,909	-	-	-	1,909
Results from operating activities	-	43,235	(166)	(2,012)		41,057
Finance costs		101				101
Share of profit of associates						-
Net unallocated expenses						(2,070)
Profit before taxation						39,088
Tax expense						-
Profit for the period						39,088
Segment assets	7,628	95,113	3,799	1,623		108,163
Unallocated assets						-
Total assets						108,163
Segment liabilities	117	7,467	235	1,848		9,667
Unallocated liabilities						-
Total liabilities						9,667

A9 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A10 Material events subsequent to the end of the quarter

Save as disclosed in Note B10, there were no material events occurring subsequent to the end of the quarter.

A11 Changes in the composition of the Group

Save as disclosed in Note B10, there were no changes in the composition of the Group during the period under review.

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

A13 Capital commitments

As at 30 June 2017, the Group has no material capital commitments.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017

A NOTES TO THE INTERIM FINANCIAL REPORT

A14 Related party transactions

During the financial quarter ended 30 June 2017, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

A15 Additional Disclosure Requirements to the Statements of Comprehensive Income

	Quarter and Year-To-Date ended	
	30 June 2017 RM'000	30 June 2016 RM'000
Interest expense	(101)	(6)
Depreciation and amortisation	(259)	(262)
Gain of disposal of quoted or unquoted investments or properties (non revenue)	40	-
Fair value gain/(loss) on marketable securities	43,490	(6,650)
Unrealised Foreign exchange gain	266	3
Exceptional items	-	-

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of performance

Revenue for the current quarter ended 30 June 2017("1Q18") was RM1.909 million, an increase of 26.68% compared to RM1.507 million in the preceding corresponding quarter ended 30 June 2016 ("1Q17). During the quarter ended 1Q18, the Group's strategic investments in marketable securities saw a marked improvement in values resulting in the Group recording a profit before taxation of RM39.073 million for the first quarter of this financial period.

The Group's reported profit before taxation represents an increase of 608.17% compared to a loss before taxation of RM7.689 million in 1Q17. The increase is mainly due to the marking to market of our medium to long term investments of approximately RM43.490 million. Operating expenses of the Group in 1Q18 increased by 593.51% to RM4.272 million as compared to RM0.616 million in 1Q17 mainly due to share-based compensation expenses pursuant to an offer of options under company's Share Issuance Scheme to eligible employees and advertisement expenses incurred in the current quarter.

B2 Variation of results against immediate preceding quarter

	Current quarter 30 June 2017 RM'000	Preceding quarter 31 March 2017 RM'000	Changes %
Revenue	1,909	1,879	2
Profit before taxation/after taxation	39,073	15,941	145

The Group registered revenue of RM1.909 million for current quarter ("1Q18") as compared to RM1.879 million in the immediate preceding quarter ("4Q17"). The revenue increased by RM0.03 million or 2% mainly generated from short term portfolio investments due to the higher trading volume of marketable securities whilst the revenue in 4Q17 was mainly generated from medium to long term Portfolio Investment.

Profit before taxation in 1Q18 increased by 145% to RM 39.073 million as compared to profit registered in 4Q17 of RM15.941 million mainly due to the marking to market of our listed investments.

B3 Prospects

As with all marketable securities, the Group's investments will always be subject to unpredictable market forces. Nevertheless, management remains optimistic that values in the incubatees will be maintained in the medium term. We anticipate that Focus's Food & Beaverage operations to continue to improve culminating with additional new outlets being opened during the financial period. Currently, Vsolar is embarking on an alternative energy project involving the developement of a BioGas/Biomass energy generation plant. We anticipate that submissions and applications to the relevant authorities will be made in the short to medium term. NetX on the other hand have seen positive growth in its payment solutions operations and expects further improvements once it's collaborative efforts with Hello Digital (Cambodia), XOX Berhad and M3 Tech Berhad bears fruit.

B4 Profit forecast, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee or made public any internal targets for the period under review.

B5 Income tax expense

During the financial quarter ended 30 June 2017, no provision for taxation needed to be provided as the Group had adequate unabsorbed tax losses brought forward from previous years to offset the profit incurred, if any, in the current financial quarter.

B6 Group's borrowings and debt securities

The Group's borrowing as at the current quarter and year-to-date ended:

	30 June 2017 USD denomination	30 June 2017 RM equivalent
<u>Short Term - Unsecured</u>		
Leaverage Line	1,720	7,385

The short term borrowing is denominated in United States Dollar (USD) at an exchange rate of RM4.2925 and effective interest rate at LIBOR + 3% (30 June 2016: Nil). The Group has not issued any debt securities as at the reporting date.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7 Material litigation

As at this reporting date, neither the Company nor its subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.

B8 Dividends

There were no dividends declared for the financial quarter ended 30 June 2017.

B9 Earnings per share ("EPS")

a) Basic EPS

	Quarter and Year-To-Date ended	
	30 June 2017	**30 June 2016**
Profit/(Loss) attributable to the owners of the Company (RM'000)	39,088	(7,683)
Weighted average number of shares in issue ('000)	402,394	896,237
Basic EPS (sen)	**9.71**	**(0.86)**

The weighted average number of shares in issue for current financial period under review has been reflected effect of Share Consolidation.

b) Diluted EPS

	Quarter and Year-To-Date ended	
	30 June 2017	**30 June 2016**
Profit/(Loss) attributable to the owners of the Company (RM'000)	39,088	(7,683)
Weighted average number of shares in issue ('000)	402,394	896,237
Effective of dilution from detachable warrants 2014/2014	131,296	393,888
Adjusted weighted average number of shares in issue and issuable ('000)	533,690	1,290,125
Diluted EPS (sen)	**7.32**	**N/A**

The diluted EPS is computed based on the profit attributable to the owners of the Company divided by the weighted average number of shares in issue during the financial period and assume the full conversion of the warrants into ordinary shares.

B10 Status of corporate proposals

a) On 17 April 2017, the Company announced to undertake the consolidation of every 3 ordinary shares in the Company ("ABT share") into 1 ABT share and the share consolidation had been completed on 5 June 2017 by following of issued 385,459,275 Consolidated Shares to the Shareholders, adjusted number of 131,295,625 Warrant A to the holders of outstanding Warrant A on the ACE Market of Bursa Securities.

b) On 23 May 2017, the Company entered into an agreement to dispose of 19% equity interest of Yellow Choice Sdn. Bhd. Comprising 19,000 ordinary shares for a total consideration of RM 40,000.

c) On 1 June 2017, the Company announced that the Company and its wholly-owned subsidiary company, Asiabio Petroleum Sdn. Bhd. ("APSB"), had acquired one (1) ordinary share representing 100% of the share capital of Goodwill Selected Sdn. Bhd. ("GSSB") and Matrix Concord Sdn. Bhd. ("MCSB") for a total cash consideration of RM2 (RM1 each company) respectively. Subsequent to the acquisitions, GSSB shall become the wholly owned subsidiary company of the Company and MCSB shall become the wholly owned subsidiary company of APSB.

d) On 8 June 2017, the Company announced that its wholly-owned subsidiary company, APSB has on 7 June 2017 received a letter of award ("LOA") from Tenisha Construction Sdn. Bhd. for the subcontracting work involving the design, erect, inspect, maintain and dismantle of scaffolding systems for the Utilities, Interconnecting, Office site (UIO) Facilities. The contract value is expected to be on a unit rate basis as set in the LOA for works carrying RM220 million in total estimated value over a thirty (30) months period.

e) On 18 June 2017, the Company announced to acquire the entire share of a shelf limited company incorporated in British Virgin Islands known as Perfect Power Group Limited on 16 June 2017 at a total consideration of USD100.00 (US Dollar One Hundred), equivalent to RM427.85 (Ringgit Malaysia Four Hundred Twenty Seven and Sen Eighty Five).

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
(Incorporated in Malaysia)

Quarterly report on results for the 1st quarter ended 30 June 2017

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B10 Status of corporate proposals *(Cont'd)*

f) On 12 July 2017, the issued share capital of the Company was increased from RM63,983,037.50 to RM68,581,917.50 by listing of 28,600,000 new ordinary shares pursuant to the exercise of SIS.

g) On 1 August 2017, the issued share capital of the Company was increased from RM68,581,917.50 to RM69,787,111.10 by listing of 8,584,000 new ordinary shares pursuant to the exercise of SIS.

h) On 11 August 2017, the Company announced to undertake the following proposals:
- i) proposed renounceable rights issue of up to 1,163,208,800 new irredeemable convertible preference shares in ABT ("ICPS") together with up to 116,320,880 free detachable warrants in ABT ("Warrants B") on the basis of 10 ICPS together with 1 free Warrant B for every 5 existing ordinary shares in ABT ("ABT Shares" or "Shares") held by the entitled shareholders on an entitlement date to be determined;
- ii) proposed amendments to the Constitution / Memorandum and Articles of Association of the Company; and
- iii proposed amendments to the bylaws governing the existing share issuance scheme of ABT.

B11 Realised and Unrealised Profits/(Losses)

Breakdown of the Group's realised and unrealised profits/(losses) are as follows:

	As at	
	30 June 2017	**31 March 2017**
	RM'000	**RM'000**
Unappropriated profits of Company and subsidiaries		
Realised	(8,904)	(10,249)
Unrealised	36,096	(1,632)
	27,192	(11,881)
Less : Consolidated adjustments	7,267	7,252
Total Group Retained Profits/(Accumulated Losses)	34,458	(4,629)

B12 Non-cash items to the Condensed Consolidated Statement of Comprehensive Income

	Quarter and Year-To-Date ended	
	30 June 2017	**30 June 2016**
	RM'000	**RM'000**
Total Comprehensive Profit/(Loss)	39,073	(7,689)
Non-Cash items:		
Bad debt written off	-	-
Depreciation of property, plant and equipment	(259)	(262)
Gain on unrealised foreign exchange	267	3
Gain/(Loss) on change in fairvalue	43,490	(6,650)
Share-based payment reserve	(1,263)	-
	42,235	(6,909)
Total Comprehensive loss before non-cash items	**(3,162)**	**(780)**

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Board of Directors.

On Behalf of the Board

Leung Kok Keong
Lim Lee Kuan
Ng Sally
Company Secretaries

ASIABIO
GROUP

Date: 20 OCT 2017

To: The Entitled Shareholders of Asia Bioenergy Technologies Berhad ("ABT" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of ABT ("**Board**"), I wish to report that after due enquiry by us in relation to the interval between the period from 31 March 2017 (being the date to which the last audited consolidated financial statements of the Company and its subsidiaries ("**Group**") have been made up) to the date hereof (being a date not earlier than 14 days before the date of issuance of this Abridged Prospectus), that:-

(i) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(ii) in the opinion of the Board, since the last audited consolidated financial statements of the Group, no circumstances that has adversely affected the trading or the value of the assets of the Group has arisen;

(iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities that has arisen by reason of any guarantee or indemnities given by the Group;

(v) there has not been, since the last audited consolidated financial statements of the Group, any default or known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings of the Group;

(vi) save as disclosed in the unaudited consolidated financial statements of the Group for the 3-month financial period ended 30 June 2017 as set out in Appendix V of this Abridged Prospectus, there has not been, since the last unaudited consolidated financial statements of the Group for the 3-month financial period ended 30 June 2017 as set out in Appendix V of this Abridged Prospectus, any material changes in the published reserves or unusual factors affecting the profits of the Group; and

(vii) as disclosed above and up to the date of this letter, no other reports are required in relation to items (i) to (vi) above.

Yours faithfully
For and behalf of the Board of
ASIA BIOENERGY TECHNOLOGIES BERHAD

TAN SIK EEK
Executive Director

Asia Bioenergy Technologies Berhad (774628-U)
Corporate Office
3A, 1-3, Street Wing, Sunsuria Avenue,
Persiaran Mahogani, Kota Damansara PJU 5,
47810 Petaling Jaya, Selangor Darul Ehsan
T 603 6142 4688 F 603 6142 4588

www.asiabio.com.my

1. SHARE CAPITAL

(i) Save for the ICPS, Warrants B and new Shares to be issued pursuant to the exercise of the Warrants B, no securities will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of the issuance of this Abridged Prospectus.

(ii) As at the LPD, there are 2 classes of shares in the Company, namely (a) the ordinary shares, all of which rank equally with one another and (b) the ICPS, which are convertible into ordinary shares and shall upon conversion, shall rank equally in all respects with the then existing ordinary shares.

(iii) As at the LPD, save as disclosed below and the ICPS and Warrants B, no person has been or is entitled to be granted an option to subscribe for any securities of the Company and no capital of the Company is under any option or agreed conditionally or unconditionally to be put under any option:-

(a) 131,295,625 outstanding Warrants A carrying the right to subscribe for 1 new Share at an exercise price of RM0.30 per Warrant A; and

(b) under the SIS, the Company may grant the SIS Options to subscribe for new Shares up to but not exceeding 30% of the Company's total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of 5 years from the effective date of the SIS i.e. 29 July 2015. As at the LPD, all outstanding SIS Options granted have been fully exercised.

2. DIRECTORS' REMUNERATION

An extract of the provisions in the Company's Constitution in relation to the remuneration of its Directors are as follows:-

Article 76(a)

(a) The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally provided always that:-

(i) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(ii) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;

(iii) any Director holding office for a part of a period shall only be entitled to a proportionate part of that fees; and

(iv) fees payable to the Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in notice convening the meeting.

(b) The Directors may be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.

(c) Any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

(d) Any fee paid to an alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the 2 years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION

As at the LPD, the Group is not involved in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and there are no proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

5. GENERAL

(i) There are no service contracts or proposed service contracts between the Directors and the Company or any of its subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within 1 year from the date of this Abridged Prospectus;

(ii) Save as disclosed in this Abridged Prospectus, the financial condition and operations of the Group are not affected by any of the following:-

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the Group's liquidity;

(b) any material commitment for capital expenditure of the Group;

(c) unusual, infrequent events or transactions or any significant economic changes which materially affect the amount of reported income from operations;

(d) known trends or uncertainties which have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the Group's revenues or operating income; and

(e) material information, including all special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect the Group's profits.

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6. CONSENTS

(i) The written consents of the Principal Adviser, Company Secretaries, Share Registrar, Solicitors for the Rights Issue of ICPS with Warrants, Independent Market Researchers, Principal Banker, Focus and Vsolar for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.

(ii) The written consent of the Auditors and Reporting Accountants for the inclusion in this Abridged Prospectus of their names, letter and report relating to the pro forma consolidated statements of financial position and the audited consolidated financial statements for the FYE 31 March 2017 and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.

(iii) The written consent of Bloomberg Finance L.P. for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Asiabio at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

(i) Constitution of Asiabio;

(ii) pro forma consolidated statements of financial position of the Group as at 31 March 2017 together with the Reporting Accountants' report thereon as set out in Appendix III of this Abridged Prospectus;

(iii) audited consolidated financial statements of the Group for the FYE 31 March 2016 and FYE 31 March 2017;

(iv) unaudited consolidated financial statements of the Group for the 3-month FPE 30 June 2017;

(v) the Undertakings;

(vi) the Directors' Report as set out in Appendix VI of this Abridged Prospectus;

(vii) letters of consent referred to in Section 6 of this Appendix VII;

(viii) Deed Poll B;

(ix) independent market research report dated 4 October 2017 prepared by Converging Knowledge; and

(x) independent market research report dated 4 October 2017 prepared by Smith Zander.

8. RESPONSIBILITY STATEMENT

(i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

(ii) Mercury Securities, being the Principal Adviser for the Rights Issue of ICPS with Warrants, acknowledges that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue of ICPS with Warrants.

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