

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 4th Quarter ended 31 January 2009

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|--|---|---|
| | Current year quarter For the period 31 January 2009 RM'000 | Preceding year corresponding quarter 31 January 2008 RM'000 | Current year-to-date For the period 31 January 2009 RM'000 | Preceding year corresponding period 31 January 2008 RM'000 |
| Revenue | 242 | N/A | 344 | N/A |
| Cost of sales | (26) | N/A | (55) | N/A |
| Gross profit | 216 | N/A | 289 | N/A |
| Other operating income | 50 | N/A | 52 | N/A |
| Operating expenses | (538) | N/A | (633) | N/A |
| Listing expenses | (726) | N/A | (1,176) | |
| Finance cost | (1) | N/A | (2) | N/A |
| Share of profit of associated companies | 1,527 | N/A | 2,459 | N/A |
| Excess of fair value of net assets acquired over the consideration paid | - | N/A | 4,565 | N/A |
| Profit before taxation | 528 | N/A | 5,554 | N/A |
| Tax expense | (18) | N/A | (34) | N/A |
| Net profit for the period | 510 | N/A | 5,520 | N/A |
| Attributable to: | | | | |
| Shareholders of the Company | 508 | N/A | 5,518 | N/A |
| Minority interest | 2 | N/A | 2 | N/A |
| Net profit for the period | 510 | N/A | 5,520 | N/A |
| Basic Earnings Per Share (sen) | 0.34 | N/A | 3.64 | N/A |

Notes:

The condensed consolidated income statements are prepared based on the consolidated results of Asia Bioenergy Technologies Berhad ("ABT") and its subsidiary companies ("ABT Group" or "Group") for the quarter ended 31 January 2009 and is to be read in conjunction with the Prospectus dated 21 November 2008. The above condensed consolidated income statement incorporates the results of the ABR Group from 11 September 2008, the date of acquisition of its direct subsidiary, Asia Bioenergy Research Sdn Bhd ("ABR") to 31 January 2009.

No comparable figures are available for the preceding period/year as ABT was listed on 12 December 2008.

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 4th Quarter ended 31 January 2009

CONDENSED CONSOLIDATED BALANCE SHEET

(The figures have not been audited)

| | As at 31 January 2009 RM'000 | As at 31 January 2008 RM'000 |
|--|------------------------------------|------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 546 | N/A |
| Investment in associated company | 9,920 | N/A |
| Investments | 5,504 | N/A |
| Intangible assets | 175 | |
| Goodwill on consolidation | 2,574 | N/A |
| | <u>18,719</u> | <u>N/A</u> |
| Current assets | | |
| Inventories | 1 | |
| Trade receivables | 39 | N/A |
| Other receivables, deposit and prepayments | 952 | N/A |
| Fixed deposits with a licensed bank | - | N/A |
| Cash and cash equivalents | 11,101 | N/A |
| | <u>12,093</u> | <u>N/A</u> |
| TOTAL ASSETS | <u>30,812</u> | <u>N/A</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 25,000 | N/A |
| Share premium | - | N/A |
| Reserves | 5,515 | N/A |
| Total shareholders' equity | 30,515 | N/A |
| Minority interests | 21 | N/A |
| Total equity | <u>30,536</u> | <u>N/A</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 23 | N/A |
| Hire purchase creditors | 49 | N/A |
| | <u>72</u> | <u>N/A</u> |
| Current liabilities | | |
| Trade payables | 5 | N/A |
| Other payables and accruals | 143 | N/A |
| Hire purchase creditors | 56 | N/A |
| Total current liabilities | <u>204</u> | <u>N/A</u> |
| Total liabilities | 276 | N/A |
| TOTAL EQUITY AND LIABILITIES | <u>30,812</u> | <u>N/A</u> |
| Net assets per share (sen) | <u>12.21</u> | <u>N/A</u> |

Notes:

The condensed consolidated balance sheet is prepared based on the consolidated results of the Group for the quarter ended 31 January 2009 and is to be read in conjunction with the Prospectus dated 21 November 2008.

No comparable figures are available for the preceding year as ABT was listed on 12 December 2008.

Net Assets per share for the current quarter is arrived at based on the Group's net assets attributable to shareholders of RM30,515,000 over the 250,000,000 ordinary shares of RM0.10 each in issue as at 31 January 2009.

The accompanying notes are an integral part of this quarterly report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

| | Share Capital RM'000 | Share Premium RM'000 | Retained Earnings RM'000 | Minority Interests RM'000 | Total RM'000 |
|--|----------------------------|----------------------------|--------------------------------|---------------------------------|-----------------|
| Balance as at 1 February 2008 | * | - | (3) | - | (3) |
| Issuance of ordinary shares pursuant to acquisition of subsidiary | 12,000 | 303 | - | - | 12,303 |
| Issuance of ordinary shares pursuant to the Public Issue | 3,000 | 9,900 | - | - | 12,900 |
| Issuance of ordinary shares pursuant to the Bonus Issue | 10,000 | (10,000) | - | - | - |
| Share issue expense | - | (203) | - | - | (203) |
| Acquisition of subsidiary | - | - | - | 19 | 19 |
| Net profit for the financial period | - | - | 5,518 | 2 | 5,520 |
| Balance as at 31 January 2009 | 25,000 | - | 5,515 | 21 | 30,536 |

Notes:

* Represents RM 2

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 January 2009 and is to be read in conjunction with the Prospectus dated 21 November 2008. The above condensed consolidated statement of changes of equity incorporates the results of the ABR Group from 11 September 2008, the date of acquisition of ABR, to 31 January 2009.

The accompanying notes are an integral part of this quarterly report.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)
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Quarterly report on results for the financial year ended 31 January 2009 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

| | Quarter ended 31 January 2009 RM'000 | Quarter ended 31 January 2008 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 5,554 | N/A |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 54 | N/A |
| Listing expenses | 1,176 | |
| Excess of fair value of net assets acquired over the consideration paid | (4,565) | N/A |
| Interest income from fixed deposits | (52) | N/A |
| Interest expense | 2 | N/A |
| Share of profit of associated companies | (2,459) | N/A |
| Operating loss before working capital changes | <u>(290)</u> | <u>N/A</u> |
| Changes in working capital: | | |
| Increase in inventories | (1) | |
| Increase in trade and other receivables | (704) | N/A |
| Increase in trade and other payables | (461) | N/A |
| Cash used in operating activities | <u>(1,456)</u> | <u>N/A</u> |
| Income tax paid | (40) | N/A |
| Net cash used in operating activities | <u>(1,496)</u> | <u>N/A</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (6) | N/A |
| Research and development paid | (130) | N/A |
| Dividend income | 885 | N/A |
| Purchase of investment | (1,500) | N/A |
| Cash inflow on acquisition of subsidiary net of cash and cash equivalents acquired | 1,800 | N/A |
| Interest received | 52 | N/A |
| Net cash from investing activities | <u>1,101</u> | <u>N/A</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (2) | N/A |
| Repayment of hire purchase | (23) | N/A |
| Proceeds from issuance of shares | 12,900 | N/A |
| Listing expenses | (1,379) | N/A |
| Net cash from financing activities | <u>11,496</u> | <u>N/A</u> |
| Net increase in cash and cash equivalents | 11,101 | N/A |
| Cash and cash equivalents at beginning of period | - | N/A |
| Cash and cash equivalents at end of period | <u>11,101</u> | <u>N/A</u> |
| | 31 January 2009 | 31 January 2008 |
| <u>Cash and cash equivalents consist of:</u> | | |
| Cash and bank balances | <u>11,101</u> | <u>N/A</u> |

Notes:

The condensed consolidated cash flow statement is prepared based on the consolidated results of the Group for the quarter ended 31 January 2009 and is to be read in conjunction with the Prospectus dated 21 November 2008. The above condensed consolidated cash flow statement represent the cash flows of the Group from 11 September 2008, the date of acquisition of ABR, to 31 January 2009.

No comparable figures are available for the preceding year as ABT was listed on 12 December 2008.

The accompanying notes are an integral part of this quarterly report.

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A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation of Interim Financial Report

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") No. 134: Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market ("MMLR").

The interim financial statements should be read in conjunction with the Prospectus dated 21 November 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understanding the changes in the financial position and performance of the Group for the financial period ended 31 January 2009.

The accounting policies and methods of computation adopted by ABT and its subsidiaries in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements for the period ended 31 May 2008 and the financial year ended 31 January 2008.

A2 Auditors' report on preceding annual financial statements

There were no preceding annual financial statements as the Group will have its first audited consolidated financial statements for the financial period ended 31 January 2009.

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

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 current financial quarter save as disclosed below:

Public Issue

The public issue of 30,000,000 new ABT Shares credited as fully paid-up at an issue price of RM0.43 each, payable in full on application. The ABT Shares issued pursuant to the Public Issue were allotted on 4 December 2008.

Bonus Issue

The bonus issue of 100,000,000 new ABT Shares issued and credited as fully paid up on the basis of two (2) new ABT Shares for every three (3) existing ABT Shares held after the Public Issue. The ABT Shares issued pursuant to the Bonus Issue were allotted on 4 December 2008.

A7 Dividend paid

There were no dividends paid by the Company during the current financial quarter.

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 31 January 2009

| | Technology incubation RM'000 | Biofuel related products RM'000 | Provision of information technology training and related services and equipment RM'000 | Management and Corporate Services RM'000 | Group RM'000 |
|--------------------------------------|---------------------------------|---------------------------------------|---|---|-----------------|
| Revenue | 61 | 22 | 259 | 2 | 344 |
| Results from operating activities | (489) | 13 | 185 | (1) | (292) |
| Finance Costs | (2) | - | - | - | (2) |
| Share of profit of associates | 2,459 | - | - | - | 2,459 |
| Net unallocated income | - | - | - | - | 3,389 |
| Profit before taxation | 1,968 | 13 | 185 | (1) | 5,554 |
| Tax expense | (31) | (3) | - | - | (34) |
| Profit for the period | 1,937 | 10 | 185 | (1) | 5,520 |
| Segment assets | 29,301 | 792 | 706 | 13 | 30,812 |
| Total assets | | | | | 30,812 |
| Segment liabilities | 229 | 26 | 17 | 4 | 276 |
| Total liabilities | | | | | 276 |

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

There were no material events subsequent to the end of the current financial quarter save as disclosed in Note B13.

A11 Changes in the composition of the Group

In December 2008, the Group acquired a further 55% equity interest in Eco-sponge Sdn Bhd for a total cash consideration of RM2.5 million. This acquisition has resulted in Eco-sponge being a 80% subsidiary of ABT.

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 31 January 2009, the Group has RM400,000 in capital commitments in respect of property, plant and equipment.

A14 Significant related party transactions

During the current financial quarter, 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.

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B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 Review of performance

ABT acquired the entire equity interest of ABR on 11 September 2008 and the condensed financial results incorporate the financial results of the Group from the date of the acquisition of ABR Group to 31 January 2009. In the financial year ended 31 January 2009, ABT Group recorded a profit after taxation ("PAT") of RM5.55 million. This PAT included one off items in the income statement which included a gain of RM4.57 million recognised as a result of the fair value of assets being higher than the purchase price of ABR and takes into account a charge of RM1.18 million arising from listing expenses incurred for the Group's listing. Operationally, our income from associate companies contributed to RM2.50 million to our earnings since the acquisition of ABR by ABT in September 2008. On a whole, despite the weak economic environment, our Group has remained profitable during the financial year ended 31 January 2009.

B2 Variation of results against immediate preceding quarter

| | Current Quarter 31-Jan-09 RM'000 | Preceding Quarter 31-Oct-08 RM'000 |
|--------------------------------|---|---|
| Revenue | 242 | 102 |
| Profit before taxation ("PBT") | 528 | 5,054 |

The Group recorded a revenue of RM242,000 in the current quarter under review representing an increase of RM140,000 as compared to RM102,000 achieved in preceding quarter ended 31 October 2008. This was mainly due to sales recognition on contracts delivered for STSB's IT segment of the Group's business.

The Group recorded PBT of RM528,000, which represented a decrease by about RM4.5 million as compared to PBT in the preceding quarter 31 October 2008. This was mainly due to the preceding quarter having a gain on the excess of assets acquired over the consideration paid for the acquisition of ABR. Further, ABT incurred an additional expense of RM726,000 in the current quarter for listing expenses as opposed to an expense of RM450,000 in the quarter ended 31 October 2008.

B3 Prospects for the financial year ending 31 January 2010

Barring any unforeseen circumstances, the Directors believe that the Group will remain profitable for the financial year ending 31 January 2010 despite the slower economic environment.

B4 Profit forecast, profit guarantee and internal targets

ABT achieved a PBT of RM5.55 million for the financial year ended 31 January 2009 which included a gain of RM4.56 million arising from the excess of fair value over the consideration paid. The gain of RM4.56 million partially comprise RM2.49 million of earnings from 1 February 2008 to acquisition date of ABR Group, being 10 September 2008. Accordingly ABT Group's profits before taxation from operations for the financial year ended 31 January 2009 after adjusting for the pre-acquisition profits was RM3.48 million. ABT had provided a consolidated profit after taxation forecast (before taking out any pre-acquisition profit after taxation) for the financial year ending 31 January 2009 in its Prospectus dated 21 November 2008 of RM6.56 million.

This falls short of the forecasted profits after taxation and were mainly contributed by the lower contribution of Grand Inizio, which contributed about RM2.2 million lower than projected, due primarily to slight delays in project works for a biodiesel project in progress resulting in a delay in the recognition of profits from the project. The project is still on track for completion in the financial year ending 31 January 2010 and the remaining profits from the project continue to be intact. Grand Inizio's new oleochemical project which was anticipated to begin at the end of the financial year ended 31 January 2009 was also pushed forward into the financial year ending 31 January 2010. The initial stages of this project has already begun in the financial year ending 31 January 2010 and we expect this to provide the Grand Inizio with substantial earnings in the financial year ending 31 January 2010. Additionally, Grand Inizio suffered a write off of expenses of about RM0.62 million incurred pursuant to an earlier planned listing on a stock exchange in the region which was subsequently aborted.

STSB and Eco-sponge's revenues and earnings were lower due to lower than expected orders that came in during the financial year ended 31 January 2009 and contributed a shortfall in earnings of about RM0.75 million in total.

B5 Income tax expense

| | Current year quarter 31 January 2009 RM'000 | Current year to date 31 January 2009 RM'000 |
|---|--|--|
| Income tax based on the results for the period under review | (18) | (34) |

The low income tax for the current period under review is due to certain statutory income of its subsidiary company, STSB Technologies Sdn Bhd and that of our associate, Grand Inizio Sdn Bhd, being exempted from income tax pursuant to the respective MSC status and pioneer status

granted to the companies.

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group for the current financial quarter and financial year-to-date.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current financial quarter and financial year-to-date.

B8 Group's borrowings and debt securities

The Group's borrowings as at 31 January 2009 are as follows:-

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|-------------------------|-------------------|---------------------|-----------------|
| Short term borrowings:- | | | |
| Hire purchase creditor | 56 | - | 56 |
| Long Term borrowings:- | | | |
| Hire purchase creditor | 49 | - | 49 |
| Total | 105 | - | 105 |

The Group does not have any foreign currency borrowings.

B9 Off balance sheet financial instruments

As at reporting date, the Group does not have any off balance sheet financial instruments.

B10 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 does not know 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.

B11 Dividends

There was no dividend declared for the financial year ended 31 January 2009.

B12 Earnings per share

| | Current year quarter | | Current year to date | |
|---|----------------------|-----------------|----------------------|-----------------|
| | 31 January 2009 | 31 January 2008 | 31 January 2009 | 31 January 2008 |
| Profit after taxation and minority interests (RM'000) | 508 | N/A | 5,518 | N/A |
| Weighted Average Number of shares in issue ('000) | 151,452 | N/A | 151,452 | N/A |
| Basic earnings per share (sen) | 0.34 | N/A | 3.64 | N/A |

Diluted earnings per share is not computed as the Company did not have any convertible financial instruments as at 31 January 2009.

B13 Status of corporate proposals

The Board of ABT announced on 3 March 2009 that our associate and investee company, Grand Inizio Sdn Bhd ("Grand Inizio"), had on 2 March 2009 entered into a Strategic Alliance and Subscription Agreement with Process Technologies, Inc ("PTI"), a company incorporated in the Philippines specialising in fractionation and distillation technologies, whereby PTI has agreed to grant Grand Inizio exclusive rights to its proprietary distillation, fractionation and esterification technologies specific for the geographical areas of Malaysia and Indonesia, and non-exclusively for the rest of the world.

Grand Inizio has agreed to allot 900,000 new ordinary shares of RM1.00 each, representing 3.47% of the enlarged issued and paid up capital of Grand Inizio, to Syno Prism Sdn. Bhd. ("SynoPrism"), the appointed allottee of PTI, for an aggregate subscription price of RM2,100,000 or USD600,000 based on the exchange rate of USD1.00:RM3.50, by way of capitalisation of an amount owing to PTI of an equivalent amount.

The allotment of shares by Grand Inizio to SynoPrism, PTI's nominated company, pursuant to the Agreement has been completed, resulting in a dilution of ABT's equity interest in Grand Inizio from its stake of 20.00% to 19.31%. As a result, Grand Inizio shall cease to be an associate company of ABT and shall no longer be equity accounted for in ABT's books. Any contribution to the earnings of ABT from Grand Inizio in the future shall be in the form of dividends.

B14 Status of Utilisation of Proceeds

The Company received proceeds from the Public Issue of RM12,900,000 in the last quarter of the financial year ended 31 January 2009.

| | Proposed Utilisation of Proceeds | Utilisation of proceeds | Unutilised proceeds as at 31 Jan 2009 | Timeframe for utilisation from date of receipt |
|--|---|------------------------------------|--|---|
| | RM'000 | RM'000 | RM'000 | |
| Technology incubation fund | 8,000 | 4,000 | 4,000 | Within 3 years |
| Research and development and related activities and Working Capital | 2,000 | - | 2,000 | Within 3 years |
| Listing expenses | 1,400 | 9 | 1,391 | Within 1 year |
| | 1,500 | 1,379 | 121 | Within 6 months |
| | <u>12,900</u> | <u>5,388</u> | <u>7,512</u> | |

B15 Authorisation for issue

The unaudited financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Board of Directors' dated 23 March 2009.

On Behalf of the Board

Wong Wei Fong
Koh Joo Hian
Company Secretaries

Date: 23 March 2009

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ADDITIONAL DISCLOSURE REQUIREMENTS FOR TECHNOLOGY INCUBATORS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

C1 STATUS REPORT ON OPERATIONS OF INVESTEE COMPANIES

The status of the operations of the incubatee companies are set out as follows:

1 Grand Inizio Sdn Bhd ("Grand Inizio")

Grand Inizio is principally an engineering and technology company that specialises in providing technology and services for biodiesel processing technology, Phytonutrients extraction technology and other oleochemical based technology. Grand Inizio is currently focusing its efforts in its oleochemical technology and palm fatty acid distillate based biodiesel esterification technologies which is anticipated to contribute positively going forward.

Grand Inizio had a profit after taxation of about RM23.0 million on the back of turnover of RM71.4 million for the financial period from 1 January 2008 to 31 December 2008. Grand Inizio contributed about RM2.5 million to the Group's earnings from the date of acquisition of ABR on 11 September 2008 to 31 January 2009.

2 Eco-Sponge Sdn Bhd ("Eco-Sponge")

Eco-Sponge Sdn Bhd is involved in the production and marketing of a proprietary filtration compound used in the biodiesel processing. Since the successful prototyping and commercialisation of its compound, several successful sales have been recorded. Eco-Sponge is currently concentrating its efforts in expanding its clientele base in Malaysia and Indonesia, which is anticipated to contribute positively when its clientele commences full commercial production towards the last quarter of this financial year.

In December 2008, the Group acquired a further 55% equity interest in Eco-sponge Sdn Bhd for a total cash consideration of RM2.5 million. This acquisition has resulted in Eco-sponge being a 80% subsidiary of ABT.

Eco-Sponge has already commenced making slight profits of about RM10,000 for the Group in the financial year ended 31 January 2009 despite its short incubation period. Eco-Sponge did not have any material impact to the Group's earnings during the financial quarter ended 31 January 2009.

3 Nexfuel Sdn Bhd ("Nexfuel")

Nexfuel is involved in the building and owning of a Bioethanol production plant using cassava as a raw material. Nexfuel have recently commenced plant design of its proposed 60,000 mt per annum bioethanol plant in Kulim and towards that our Group has invested about RM1.5 million in Nexfuel to date.

Nexfuel did not have any material impact on the Group's earnings during the current financial quarter ended 31 January 2009.