

# **Asia Bioenergy Technologies Berhad**

[Asia Bioenergy Technologies Berhad is sponsored by Kenanga Investment Bank Berhad]

(Company No. 774628-U)

(Incorporated in Malaysia)

## **QUARTERLY REPORT**

**for the 3rd Quarter ended 31 October 2009**

# Asia Bioenergy Technologies Berhad

(Company No. 774628-U)  
(Incorporated in Malaysia)

## Quarterly report on results for the 3rd Quarter ended 31 October 2009 CONDENSED CONSOLIDATED INCOME STATEMENTS

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter For the period 31 October 2009 RM'000	Preceding year corresponding quarter 31 October 2008 RM'000	Current year-to-date For the period 31 October 2009 RM'000	Preceding year corresponding period 31 October 2008 RM'000
Revenue	1,401	102	2,474	102
Cost of sales	(1,209)	(29)	(1,735)	(29)
Gross profit	<u>192</u>	<u>73</u>	<u>739</u>	<u>73</u>
Other operating income	78	2	143	2
Operating expenses	(293)	(95)	(851)	(95)
Listing expenses	-	(450)	-	(450)
Finance cost	-	(1)	(3)	(1)
Share of profit of associated companies	49	932	300	932
Excess of fair value of net assets acquired over the consideration	-	4,593	-	4,593
Profit before taxation	<u>26</u>	<u>5,054</u>	<u>328</u>	<u>5,054</u>
Tax expense	(20)	(16)	(22)	(16)
Net profit for the period	<u><u>6</u></u>	<u><u>5,038</u></u>	<u><u>306</u></u>	<u><u>5,038</u></u>
Attributable to:				
Shareholders of the Company	6	5,038	306	5,038
Minority interest	-	-	-	-
Net profit for the period	<u><u>6</u></u>	<u><u>5,038</u></u>	<u><u>306</u></u>	<u><u>5,038</u></u>
Basic Earnings Per Share (sen)	<u><u>0.00</u></u>	<u><u>22.92</u></u>	<u><u>0.12</u></u>	<u><u>22.92</u></u>

### Notes:

The condensed consolidated income statements are prepared based on the consolidated results of Asia Bioenergy Technologies Berhad ("ABT" or the "Company") and its subsidiary companies ("ABT Group" or "Group") for the quarter ended 31 October 2009 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 January 2009.

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 3rd Quarter ended 31 October 2009

### CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at 31 October 2009 RM'000	Audited As at 31 January 2009 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,319	546
Investment in associated companies	1,679	9,921
Investments	18,230	5,504
Intangible assets	2,592	2,750
	<u>23,820</u>	<u>18,721</u>
<b>Current assets</b>		
Inventories	-	1
Trade receivables	-	37
Other receivables, deposit and prepayments	756	1,037
Cash and cash equivalents	6,481	11,101
	<u>7,237</u>	<u>12,176</u>
<b>TOTAL ASSETS</b>	<u>31,057</u>	<u>30,897</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	25,000	25,000
Retained earnings	5,902	5,596
Minority interests	21	21
<b>Total equity</b>	<u>30,923</u>	<u>30,617</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	23	23
Hire purchase creditors	49	49
	<u>72</u>	<u>72</u>
<b>Current liabilities</b>		
Trade payables	-	5
Other payables and accruals	48	147
Hire purchase creditors	14	56
<b>Total current liabilities</b>	<u>62</u>	<u>208</u>
<b>Total liabilities</b>	<u>134</u>	<u>280</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>31,057</u>	<u>30,897</u>
<b>Net assets per share (sen)</b>	<u>12.36</u>	<u>12.24</u>

Notes:

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The condensed consolidated balance sheet is prepared based on the consolidated results of the Group for the quarter ended 31 October 2009 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 January 2009.

Net assets per share for the current quarter is arrived at based on the total Group's net assets over the 250,000,000 ordinary shares of RM0.10 each in issue as at 31 October 2009 whilst for the preceeding year corresponding quarter is based on 120,000,000 shares in issue as at 31 October 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 3rd Quarter ended 31 October 2009 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*(The figures have not been audited)*

	Share Capital	Share Premium	Retained Earnings	Minority Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Audited</b>					
Balance as at 1 February 2008	-	-	(3)	-	(3)
Ordinary shares issued:-					
a) Acquisition of subsidiaries	12,000	303	-	19	12,322
b) Public Issue	3,000	9,900	-	-	12,900
c) Bonus Issue	10,000	(10,000)	-	-	-
Total recognised income and expense for the financial year	-	(203)	5,599	2	5,398
Balance as at 31 January 2009	25,000	-	5,596	21	30,617
<b>Unaudited</b>					
Balance as at 1 February 2009	25,000	-	5,596	21	30,617
Net profit for the financial period	-	-	306	-	306
Balance as at 31 October 2009	25,000	-	5,902	21	30,923

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 October 2009 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 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 3rd Quarter ended 31 October 2009 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

*(The figures have not been audited)*

	Quarter ended 31 October 2009 RM'000	Quarter ended 31 October 2008 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	328	5,054
Adjustments for :		
Amortisation of intangible assets	-	-
Depreciation of property, plant and equipment	119	20
Listing expenses	-	450
Excess of fair value of net assets acquired over the consideration	-	(4,593)
Dividend income	(100)	-
Gain on dilution of investment in an associated company	(54)	-
Interest income from fixed deposits	(80)	(2)
Interest expense	3	1
Loss on deemed disposal of subsidiary companies	11	-
Loss on disposal of other investment	37	-
Share of profit of associated companies	(300)	(932)
Operating profit/(loss) before working capital changes	(36)	(2)
Changes in working capital:		
Increase in inventories	1	-
Increase in trade and other receivables	96	(1,011)
Decrease in trade and other payables	957	85
Cash from/(used in) operations	1,018	(928)
Income tax paid	(89)	(16)
Net cash from/(used in) operating activities	929	(944)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible assets	(149)	-
Purchase of property, plant and equipment	(891)	(3)
Proceed from disposal of unquoted investment	454	-
Dividend income received	100	885
Net cash outflow from deemed disposal/acquisition of subsidiary companies	(2,105)	4,308
Acquisition of other investments	(2,993)	(1,500)
Interest received	80	1
Net cash from/(used in) investing activities	(5,504)	3,691
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(3)	(1)
Repayment of hire purchase	-	(653)
Repayment of hire purchase	(42)	(9)
Net cash from/(used in) financing activities	(45)	(663)
Net increase/(decrease) in cash and cash equivalents	(4,620)	2,084
Cash and cash equivalents at beginning of period	11,101	-
Cash and cash equivalents at end of period	6,481	2,084
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	6,481	2,084
Fixed deposit placements with financial institutions	-	-
	6,481	2,084

Notes:

The condensed consolidated cash flow statement for the quarter ended 31 October 2009 is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 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 3rd Quarter ended 31 October 2009

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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 ACE Market ("AMLR").

The interim financial statements should be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 January 2009. 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 period ended 31 October 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 financial year ended 31 January 2009.

#### 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 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 financial quarter ended 31 October 2009.

#### A7 Dividend paid

There were no dividends paid by the Company during the financial quarter ended 31 October 2009.

# Asia Bioenergy Technologies Berhad

(Company No. 774628-U)  
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## Quarterly report on results for the 3rd Quarter ended 31 October 2009

### 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 31 October 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	1,556	558	356	4	2,474
Results from operating	(16)	-	295	(18)	261
Finance Costs					(3)
Loss on deemed disposal of subsidiaries					(11)
Gain on dilution of associates					54
Share of profit of associates					300
Net unallocated expenses					(273)
Profit before taxation					<u>328</u>
Tax expense					(22)
Profit for the period					<u>306</u>
Segment assets	30,177	880	-	-	31,057
Total assets					<u>31,057</u>
Segment liabilities	129	5	-	-	134
Total liabilities					<u>134</u>

#### 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 B13 and the following, there were no other material events occurring subsequent to the end of the quarter.

- On 15 December 2009, Asia Bioenergy Technologies Berhad and Asia Bioenergy Research Sdn Bhd converted in total 4,004,000 Convertible Preference Shares of RM0.10 each in Nexfuel Sdn Bhd ("Nexfuel") to 144,000 new ordinary shares of RM1.00 each equivalent to an equity stake of 40% in Nexfuel.
- On 3 November 2009, Asiabio Zyme Solutions Sdn Bhd (formerly known as ALC Management Sdn Bhd) acquired the entire equity interest of Asiabio Zyme Engineering Sdn Bhd (formerly known as Crisiant Kouseki Seishou Sdn Bhd) for a total cash consideration of RM2.00.

# Asia Bioenergy Technologies Berhad

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## Quarterly report on results for the 3rd Quarter ended 31 October 2009

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### A NOTES TO THE INTERIM FINANCIAL REPORT

#### A11 Changes in the composition of the Group

- a) On 1 August 2009, the entire equity interest in STSB Technology Sdn Bhd, (a wholly owned subsidiary of Asia Bioenergy Research Sdn Bhd, which in turn is a wholly owned subsidiary of Asia Bioenergy Technologies Berhad), was transferred to ALC Management Sdn Bhd (another wholly owned subsidiary of Asia Bioenergy Research Sdn Bhd) at its net asset value of RM329,998 satisfied via the issuance of ALC Management Sdn Bhd shares to Asia Bioenergy Technologies Berhad.
- b) On 24 August 2009, the Gallant Prism Sdn Bhd and Zenline Consolidated Sdn Bhd each invested RM950,000 whilst Asia Bioenergy Technology Berhad invested RM1,300,000 in ALC Management Sdn Bhd ("ALCM"). Subsequently, ALCM acquired microbial propagation technology from Xtra Meridian Sdn Bhd for RM3,000,000 cash and 900,000 shares. As a result, the Company's equity interest in ALCM diluted from 100% to 36.8%.

#### 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 October 2009, the Group has no material capital commitments in respect of property, plant and equipment.

#### A14 Significant related party transactions

During the financial quarter ended 31 October 2009, 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.



# Asia Bioenergy Technologies Berhad

(Company No. 774628-U)  
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## Quarterly report on results for the 3rd Quarter ended 31 October 2009

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

#### B1 Review of performance

The ABT Group achieved a consolidated profit after taxation and minority interests of approximately RM306,000 on the back of a consolidated revenue of RM2.4 million. The main contributor of the Group's contribution were from profit from associates which contributed about RM300,000.

#### B2 Variation of results against immediate preceding quarter

	Current quarter 31 October 2009 RM'000	Preceding quarter 31 July 2009 RM'000
Revenue	1,401	294
Profit before taxation	26	73

Revenue increased for the current quarter as compared to the preceding quarter due mainly to sales of certain pilot processing equipments/technology by the incubation/research division.

Profit before taxation was lower in the current quarter due to increased expenses of the Group for incubation of our incubatees.

#### B3 Prospects for the current 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 adverse economic environment.

#### 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 current financial year ending 31 January 2010.

#### B5 Income tax expense

	Current year quarter 31 October 2009 RM'000	Current year to date 31 October 2009 RM'000
Underprovision of tax in prior year	(22)	(22)
Income tax based on the results for the period under review	2	-
	<u>(20)</u>	<u>(22)</u>

The low income tax for the period under review is due to certain statutory income of its incubatee 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 sales of unquoted investment and/or properties for the current financial quarter other than the deemed disposal of its equity interest of ALCM as mentioned in Note A11 above which resulted in ALCM becoming an associate of ABT (from a wholly owned subsidiary), which resulted in an immaterial capital loss of approximately RM11,000. In the financial period ended 31 October 2009, the Group has further subscribed for 2,500,000 convertible preference shares of RM0.10 each of Nexfuel Sdn. Bhd for a total cash consideration of RM2,500,000.

#### B7 Quoted securities

In the financial quarter ended 31 October 2009, the Group does not hold any investments in quoted securities.

#### B8 Group's borrowings and debt securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Hire purchase creditor	14	-	14
Long Term borrowings:-			
Hire purchase creditor	49	-	49
Total	<u>63</u>	<u>-</u>	<u>63</u>

The Group does not have any foreign currency borrowings.

# Asia Bioenergy Technologies Berhad

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## Quarterly report on results for the 3rd Quarter ended 31 October 2009

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

#### 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 quarter ended 31 October 2009.

#### B12 Earnings per share

	Current year quarter		Current year to date	
	31 October 2009	31 October 2008	31 October 2009	31 October 2008
Profit after taxation and minority interests (RM'000)	6	5,038	306	5,038
Weighted average number of shares in issue ('000)	250,000	21,978	250,000	21,978
Basic earnings per share (sen)	0.00	22.92	0.12	22.92

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

#### B13 Status of corporate proposals

a) On 10 June 2009, the Company announced that it had on 10 June 2009 entered into two (2) Sales and Purchase Agreements between itself and the vendors, Mr Looi Kem Loong and Triple Gate Marketing Sdn Bhd for the purchase of two (2) units of office suite measuring in area of approximately 1,249 square feet each for a consideration sum of RM387,190 each to be satisfied entirely in cash. This proposal has been completed on 16 November 2009.

#### 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 RM'000	Utilisation of proceeds RM'000	Unutilised proceeds as at 31 October 2009 RM'000	Timeframe for the utilisation of proceed
Technology incubation fund	8,000	7,800	200	Within 3 years
Research and development and related activities and capital expenditure	2,000	448	1,552	Within 3 years
Working Capital	1,400	945	455	Within 1 year
Listing expenses	1,500	1,386	114	*Within 6 months
	<u>12,900</u>	<u>10,579</u>	<u>2,321</u>	

Note:

\* Proceeds which have been earmarked for listing expenses which are unutilised shall be utilised for working capital purposes.

#### B15 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' dated 23 December 2009.

On Behalf of the Board

Wong Wei Fong  
Loh Woan Fen  
Company Secretaries

Date: 23 December 2009

# Asia Bioenergy Technologies Berhad

(Company No. 774628-U)  
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## Quarterly report on results for the 3rd Quarter ended 31 October 2009

### ADDITIONAL DISCLOSURE REQUIREMENTS FOR TECHNOLOGY INCUBATORS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE 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 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 focussing its efforts in its oleochemical technology which is anticipated to contribute positively going forward.

As at 6 March 2009, Grand Inizio ceased to be an associate company of the Group due to the dilution of the Group's interest in the company from 20% to 19.31%. As a result of that, the results of Grand Inizio will not be equity accounted by the Group from that date onwards. Grand Inizio contributed about RM251,000 to the Group's earnings.

##### 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 by 2010.

Eco-Sponge broke even in the financial period to date and did not have any material impact on the Group's earnings during the financial period under review.

##### 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 has commenced plant design of its proposed 60,000 mt per annum bioethanol plant in Kulim and is in the midst of securing the balance debt funding for the proposed plant. Nexfuel is currently working with its technology partner on a biowaste conversion technology and have set up Nexfuel Ltd, a Labuan offshore company to house the commercialisation of this new technology, targetting mainly overseas customers, anticipated by the end of this financial year.

Nexfuel did not have any material impact on the Group's earnings during the financial period under review.

##### 4 Asiabio Zyme Solutions Sdn Bhd (formerly known as ALC Management Sdn Bhd) ("ZYME")

Asiabio Zyme Solutions Sdn Bhd is involved in microbial propagation technology and comprise Asiabio Zyme Systems Sdn Bhd and Asiabio ZymeScience Sdn Bhd. On 3 November 2009, Asiabio Zyme Solutions acquired Asiabio Zyme Engineering Sdn Bhd (formerly known as Crisiant Kouseki Seishou Sdn Bhd) to be involved in Cellulosic composting microbe process engineering works. Collectively known as Zyme Group, they provide a one-stop solution to all microbe propagation needs, ranging from parent material, to end microbe based organic fertilizer as well as microbe propagation systems and equipments.

Zyme Group's products are currently being OEM whilst Zyme Group's commercial microbial propagation facility is anticipated to be completed by first quarter 2010. Zyme Group is currently working with several plantation groups for the application of its microbe based products.

Zyme Group recorded minor profits in the current financial quarter.