



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 4th Quarter Ended 31 January 2011



Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 4th Quarter ended 31 January 2011 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited As at 31 January 2011 RM'000	Audited As at 31 January 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,316	3,092
Investment in associated companies	1,874	1,992
Available-for-sale investments	18,685	14,631
Intangible assets	10,077	6,139
	40,952	25,854
Current assets		
Inventories	98	-
Amount due from contract customers	1,981	807
Other receivables, deposit and prepayments	1,918	364
Cash and cash equivalents	1,037	5,354
	5,034	6,525
TOTAL ASSETS	45,986	32,379
EQUITY AND LIABILITIES		
Share capital	32,700	25,000
Retained earnings	6,430	6,162
Other Reserves	(58)	(3)
Total equity attributable to owners of the Company	39,072	31,159
Non-controlling interests	2,812	1,047
Total equity	41,884	32,206
Non-Current liabilities		
Term loan	2,449	-
Hire purchase liabilities	97	-
Lease payables	98	-
Deferred tax liability	9	-
Total non-current liabilities	2,653	-
Current liabilities		
Trade and other payables	1,202	156
Term loan	85	-
Hire purchase liabilities	21	-
Lease payables	84	-
Tax liability	57	17
Total current liabilities	1,449	173
Total liabilities	4,102	173
TOTAL EQUITY AND LIABILITIES	45,986	32,379
Net assets per share attributable to equity holders of the Company (sen)	11.95	12.46

Notes:

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The condensed consolidated statement of financial position is prepared based on the consolidated results of the Group for the quarter ended 31 January 2011 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 January 2010.

Net assets per share is arrived at based on the total Group's net assets over the 327,000,000 ordinary shares of RM0.10 each in issue.

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 2011 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter for the period 31 January 2011 RM'000	Preceding year corresponding quarter 31 January 2010 RM'000	Current year-to-date for the period 31 January 2011 RM'000	Preceding year corresponding period 31 January 2010 RM'000
Revenue	771	1,002	6,258	3,476
Cost of sales	(297)	(332)	(847)	(2,067)
Gross profit	474	670	5,411	1,409
Other operating income	(1)	8	115	151
Operating expenses	(494)	(323)	(4,285)	(1,174)
Finance cost	(19)	(5)	(19)	(8)
Share of profit of associated companies	25	221	(56)	521
Excess of fair value of net assets acquired over consideration	-	37	-	37
(Loss)/Profit before taxation	(15)	608	1,166	936
Tax expense	(47)	-	(42)	(22)
(Loss)/Profit for the period	(62)	608	1,124	914
Other comprehensive income:				
Exchange differences on translation of foreign operations	(68)	(3)	(138)	(7)
Total comprehensive income for the period	(130)	605	986	907
(Loss)/Profit attributable to:				
Owners of the Company	(428)	260	268	566
Non-controlling interests	366	348	856	348
	(62)	608	1,124	914
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(455)	261	213	563
Non-controlling interests	325	344	773	344
	(130)	605	986	907
Basic (Loss)/Earnings Per Share attributable to equity owners of the Company (sen)	(0.16)	0.10	0.10	0.23

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 31 January 2011 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 January 2010.

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



Asia Bioenergy Technologies Berhad

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Quarterly report on results for the 4th Quarter ended 31 January 2011 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	Quarter ended 31 January 2011 RM'000	Quarter ended 31 January 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,166	936
Adjustments for :		
Amortisation of intangible assets	1	5
Depreciation of property, plant and equipment	425	190
Dividend income	(4,054)	(100)
Gain on disposal of property, plant and equipment	(66)	
Gain on dilution of investment in an associated company	-	(55)
Goodwill on consolidation written off	2,549	
Intangible asset written off	40	
Interest income from fixed deposits	(45)	(88)
Interest expense	19	9
Loss on deemed disposal of subsidiary companies	-	11
Loss on disposal of other investment	-	37
Property, plant and equipment written off	71	8
Share issuance expenses	-	13
Share of loss/(profit) of associated companies	56	(521)
Operating (loss)/profit before working capital changes	<u>162</u>	<u>445</u>
Changes in working capital:		
(Increase)/Decrease in inventories	(9)	1
(Increase)/Decrease in trade and other receivables	(1,491)	5,888
Decrease in trade and other payables	(479)	(5,102)
Cash (used in)/generated from operations	<u>(1,817)</u>	<u>1,232</u>
Income tax refunded/(paid)	56	(123)
Net cash (used in)/generated from operating activities	<u>(1,761)</u>	<u>1,109</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	-	(152)
Purchase of property, plant and equipment	(4,178)	(2,105)
Proceed from disposal of property, plant and equipment	300	
Proceed from disposal of unquoted investment	-	454
Net cash inflow from deemed disposal/acquisition of subsidiary companies	(6,195)	(1,587)
Dividend income received	-	100
Acquisition of other investments	(90)	(3,488)
Interest received	45	88
Net cash used in investing activities	<u>(10,118)</u>	<u>(6,690)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(9)
Proceed from issued of ordinary shares	7,700	-
Repayment to a director	-	(31)
Repayment of hire purchase payables	-	(105)
Share issuance expenses paid	-	(13)
Net cash generated from/(used in) financing activities	<u>7,700</u>	<u>(158)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(138)</u>	<u>(7)</u>
Net decrease in cash and cash equivalents	(4,317)	(5,746)
Cash and cash equivalents at beginning of the period	5,354	11,100
Cash and cash equivalents at end of the period	<u><u>1,037</u></u>	<u><u>5,354</u></u>
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	1,037	1,354
Fixed deposit placements with financial institutions	-	4,000
	<u><u>1,037</u></u>	<u><u>5,354</u></u>
Notes:		

The condensed consolidated statements of cash flow for the quarter ended 31 January 2011 is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 January 2010.

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



Asia Bioenergy Technologies Berhad

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Quarterly report on results for the 4th Quarter ended 31 January 2011 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	----- Attributable to Owners of the Company -----			Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Retained Earnings RM'000	Exchange Reserves RM'000			
Audited						
Balance as at 1 February 2009	25,000	5,596	-	30,596	21	30,617
Acquisition of deemed subsidiary	-	-	-	-	682	682
Total comprehensive income for the year	-	566	(3)	563	344	907
Balance as at 31 January 2010	<u>25,000</u>	<u>6,162</u>	<u>(3)</u>	<u>31,159</u>	<u>1,047</u>	<u>32,206</u>
Unaudited						
Balance as at 1 February 2010	25,000	6,162	(3)	31,159	1,047	32,206
Ordinary shares issued	7,700	-	-	7,700	-	7,700
Acquisition of deemed subsidiary	-	-	-	-	992	992
Total comprehensive income for the period	-	268	(55)	213	773	986
Balance as at 31 January 2011	<u>32,700</u>	<u>6,430</u>	<u>(58)</u>	<u>39,072</u>	<u>2,812</u>	<u>41,884</u>

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 January 2011 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 January 2010.

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



A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Compliance with Financial Reporting Standard (FRS) 134, and Bursa Listing Requirements

Basis of preparation

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 2010. 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 January 2011.

Changes in Accounting Policies

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 2010 except for the effect on the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning on 1 February 2010. The adoption of these FRSs, amendments and IC Interpretations do not have a material impact on the interim financial information of the Group saved for the

- a) FRS 8 : Requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any material impact on the financial position and results of the Group.
- b) Revised FRS 101 : Separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any material impact on the financial position and results of the Group.
- c) FRS 139 : Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classed into the following categories:

No	Pre FRS 139	Post FRS 139
1	Other long term investment	Available for sale investment
2	Trade and other receivables	Loans and receivables
3	Unrecognised derivative assets	Financial assets at fair value through profit or loss
4	Unrecognised derivative liabilities	Financial Liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

No	Category	Measurement basis
1	Financial instruments at fair value through profit or loss	At fair value through profit or loss
2	Held-to-maturity investments	At amortised cost effective interest method
3	Loans and receivables	At amortised cost effective interest method
4	Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Loans and other financial liabilities	At amortised cost effective interest method

Financial assets and financial liabilities designated as hedged items and hedging financial derivatives are accounted for using the specified hedge accounting requirements of FRS 139. All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 136. The application of FRS 139 did not have any material impact on the Group for the financial period.

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 2010.

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 January 2011.

A7 Dividend paid

There were no dividends paid by the Company during the financial quarter ended 31 January 2011.



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Quarterly report on results for the 4th Quarter ended 31 January 2011

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 January 2011

	Technology incubation RM'000	Biofuel related products RM'000	Provision of information technology training and related services and equipment RM'000	Biotechnology products RM'000	Group RM'000
Revenue	4,074	-	771	1,413	6,258
Results from operating activities	3,413	(92)	634	821	4,776
Finance costs					(19)
Share of profit/(loss) of associates					(56)
Net unallocated expenses					(3,535)
Profit before taxation					1,166
Tax expense					(42)
Profit for the period					1,124
Segment assets	37,184	418	5,612	2,772	45,986
Total assets					45,986
Segment liabilities	170	22	3,533	377	4,102
Total liabilities					4,102

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, 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 B13, 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 31 January 2011, the Group has no material capital commitments.

A14 Significant related party transactions

During the financial quarter ended 31 January 2011, 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 ACE MARKET

B1 Review of performance

The ABT Group achieved a total comprehensive income for the year of approximately RM0.99 million on the back of a consolidated revenue of RM6.26 million due mainly to the dividend received from its incubatees. As the Group is involved in incubation activities especially on high technology areas, it hold investments particularly in start-ups. In view thereof, its performance is subjected to various volatilities.

B2 Variation of results against immediate preceding quarter

	Current quarter 31 January 2011 RM'000	Preceding quarter 31 January 2010 RM'000
Revenue	771	832
(Loss)/Profit before taxation	(15)	115

Revenue for the period was mainly derived from IT services revenue of eCompazz, our new incubate whilst the slight loss incurred is due to relocation expenditure for the Group's new incubation centre in Pandamaran.

B3 Prospects for the current financial year ending 31 January 2012

Barring any unforeseen circumstances, the Directors believe that the Group's prospects are positive in view of the current push towards green technologies, despite the uncertain global economic environment. In addition, the Group is also diversifying into other high growth industries.

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

There is no income tax for the period under review due to tax exemption earned by the group on dividend income as well as certain statutory income of its incubatee being exempted from income tax pursuant to the respective MSC status and pioneer status.

B6 Unquoted investments and properties

Save as disclosed in Note B13, the Group did not invest in any unquoted investments and properties during the period under review.

B7 Quoted securities

As at 31 January 2011, the Group does not hold any investments in quoted securities.

B8 Group's borrowings and debt securities

The Group's borrowings are mainly arising from consolidation of deemed subsidiary, eCompazz, our new incubatee as detailed below.

	31 January 2011 RM'000	31 January 2010 RM'000
<u>Short term</u>		
Term Loan (Secured)	85	-
Hire Purchase creditors	21	-
Lease Payables	84	-
	190	-
<u>Long term</u>		
Term Loan (Secured)	2,449	-
Hire Purchase creditors	97	-
Lease Payables	98	-
	2,644	-
Total Borrowings	2,834	-

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.



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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 ACE MARKET

B11 Dividends

There was no dividend declared for the financial quarter ended 31 January 2011

B12 Earnings per share

	Current year quarter		Current year to date	
	31 January 2011	31 January 2010	31 January 2011	31 January 2010
(Loss)/Profit attributable to owners of the Company (RM'000)	(428)	260	268	566
Weighted average number of shares in issue ('000)	250,000	250,000	250,000	250,000
Effect of issuance of ordinary shares pursuant to private placement ('000)	17,178	-	17,178	-
Adjusted weighted average number of shares in issue ('000)	<u>267,178</u>	<u>250,000</u>	<u>267,178</u>	<u>250,000</u>
Gross Interest Income	-	8	45	88
Gross Interest Expense	-	5	-	8
Basic earnings per share (sen)	(0.16)	0.10	0.10	0.23

Diluted earnings per share is not computed as the Company did not have any convertible financial instruments as at 31 January 2011.

B13 Status of corporate proposals

Below are the status of corporate proposals by the Company.

- On 18 May 2010, Asia Bioenergy Research Sdn Bhd ("ABR"), a wholly owned subsidiary of the Company entered into a conditional Sale and Purchase Agreement with MLABS Systems Berhad ("MLABS"), for the disposal by ABR to MLABS of its 5,000,000 ordinary shares of RM1.00 each representing 19.3% equity interest held in Grand Inizio Sdn Bhd for a total consideration sum of RM15,366,795, to be satisfied via the issuance of 153,667,950 new ordinary shares of RM0.10 each in MLABS to ABR. This proposal is pending completion.
- On 2 September 2010, the Company announced a proposed private placement of up to 118,000,000 new ordinary shares of RM0.10 each representing approximately up to 30% of the enlarged issued and paid up capital of the Company. This proposal is being implemented in tranches and is partially completed.
- On 18 November 2010, the Company entered into a conditional Share Sale Agreement with Lim Chee Wei and Siti Azlina binti Abdul Latif for the acquisition of 60,000 ordinary shares of RM1.00 each in Ecompazz IT Sdn Bhd ("Ecompazz") ("Shares"), representing 20% of the entire equity interest in Ecompazz for a cash consideration of RM3,500,000 ("Tranche I") with an option to acquire another 13.8% for RM3,400,000 within one year ("Tranche II"). Tranche I was completed on 1 December 2010 while Tranche II was completed on 21 January 2011.

B14 Realised and Unrealised Profit/(Loss)

Breakdown of the Group's realised and unrealised profits are as follows

	As at	
	31 January 2011	31 October 2010
	RM'000	RM'000
<u>Unappropriated profits/(Accumulated losses) of Company and subsidiaries</u>		
Realised	4,446	3,337
Unrealised	-	-
	<u>4,446</u>	<u>3,337</u>
<u>Share of retained profits of associates</u>		
Realised	152	189
Unrealised	-	-
	<u>4,598</u>	<u>3,526</u>
Less : Consolidated adjustments	1,832	3,332
Total Group Retained Profits	<u>6,430</u>	<u>6,858</u>

B15 Status of Utilisation of Proceeds

The Company did not have any unutilised proceeds as at 31 January 2011.

B16 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 29 March 2011.

On Behalf of the Board

Wong Wai Foong
Lim Lee Kuan
Loh Woan Fen
Company Secretaries

Date: 29 March 2011



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ADDITIONAL DISCLOSURE ON INVESTEE COMPANIES

C1 STATUS REPORT ON OPERATIONS OF INVESTEE COMPANIES

The status of the operations of the material investee companies (>20% equity) are set out as follows:

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

Eco-Sponge is involved in the production and marketing of a proprietary filtration compound used in the biodiesel processing. Sales are still slow due to new technology/competing products as well as the low demand from biodiesel plants in Malaysia. Whilst other marketing efforts are being explored and research undertaken for product improvement, an impairment has been recognised for prudence purposes.

2 Nexfuel Sdn Bhd ("Nexfuel")

Nexfuel is involved in the provision of biowaste conversion technologies and biomass to power technologies. Nexfuel registered positive results in the current financial year.

3 Asiabio Zyme Solutions Sdn Bhd ("ZymeSolutions")

ZymeSolutions is involved in the provision of microbial propagation technology and marketing of various microbe based products for use in plantation industry. ZymeSolutions is currently working with several plantation groups for the application of its microbe based products. Further in the period, ZymeSolutions ventured into Cambodia via the a small R&D plantation for its microbe products which has also matured into a profit

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

4 Asiabio ZymeScience Sdn Bhd ("ZymeScience")

ZymeScience is involved in the manufacturing and production of microbe based products from its biotechnology production facility in Klang and has recommenced production in first quarter of 2011.

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

5 Ecompazz IT Sdn Bhd ("eCompazz")

eCompazz is involved in customised software applications for trading and direct selling industries that involve complex computation matrix with clientele in Malaysia, Indonesia, Thailand and Philippines. eCompazz has set up eCompazz Labuan to manage its overseas clientele.

eCompazz was acquired on 1 December 2010 and contributed positively to the Group in the current financial year.