



Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 2nd quarter ended 30 September 2016

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited As at 30 September 2016 RM'000	Audited As at 31 March 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,365	7,870
Investment securities	26,956	25,083
	<u>34,321</u>	<u>32,953</u>
Current assets		
Trade and other receivables, deposit and prepayments	1,292	1,179
Investment securities	1,107	4,665
Inventories	368	375
Cash and cash equivalents	81	96
	<u>2,848</u>	<u>6,315</u>
TOTAL ASSETS	<u>37,169</u>	<u>39,268</u>
EQUITY AND LIABILITIES		
Share capital	47,669	86,671
Reserves	3,426	3,426
Accumulated losses	(12,651)	(50,111)
Total equity attributable to owners of the Company	<u>38,444</u>	<u>39,986</u>
Non-controlling interest	(1,548)	(1,537)
Total equity	<u>36,896</u>	<u>38,449</u>
Current liabilities		
Trade and other payables	273	819
Total current liabilities	<u>273</u>	<u>819</u>
Total liabilities	<u>273</u>	<u>819</u>
TOTAL EQUITY AND LIABILITIES	<u>37,169</u>	<u>39,268</u>
Net assets per share attributable to equity holders of the Company (sen)	<u>4.03</u>	<u>4.61</u>

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 30 September 2016 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial period ended 31 March 2016.

Net assets per share is arrived at based on the total Group's net assets over the 953,382,600 ordinary shares of RM0.05 each in issue as at 30 September 2016.

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 2nd quarter ended 30 September 2016 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter for the period ended 30 September 2016 RM'000	Preceding year corresponding quarter ended 30 September 2015 RM'000	Current year-to-date for the period ended 30 September 2016 RM'000	Preceding year corresponding period ended 30 September 2015 RM'000
Revenue	1,087	10	2,594	6,484
Cost of sales	(1,037)	(223)	(2,984)	(7,098)
Gross profit/(loss)	50	(213)	(390)	(614)
Other operating income	2,479	276	2,482	558
Operating expenses	(723)	(15,321)	(7,969)	(25,470)
Finance costs	(3)	-	(9)	(2)
Share of profit of associated companies	-	39	-	39
Profit/(Loss) before taxation	1,803	(15,219)	(5,886)	(25,489)
Tax expense	-	-	-	-
Profit/(Loss) for the period	1,803	(15,219)	(5,886)	(25,489)
Total comprehensive income/(loss) for the period	1,803	(15,219)	(5,886)	(25,489)
Profit/(Loss) attributable to:				
Owners of the Company	1,808	(15,134)	(5,875)	(25,316)
Non-controlling interest	(5)	(85)	(11)	(173)
	1,803	(15,219)	(5,886)	(25,489)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	1,808	(15,134)	(5,875)	(25,316)
Non-controlling interest	(5)	(85)	(11)	(173)
	1,803	(15,219)	(5,886)	(10,270)
Basic Earnings/(Loss) Per Share attributable to equity owners of the Company (sen)	0.20	(1.75)	(0.64)	(2.92)

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 30 September 2016 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial period ended 31 March 2016.

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 2nd quarter ended 30 September 2016 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 RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
<u>Audited</u>								
Balance as at 1 April 2015	86,671	22	334	-	(22,679)	64,348	(141)	64,207
Total comprehensive loss for the year	-	-	-	-	(27,432)	(27,432)	(1,396)	(28,828)
Transaction with owners:								
Share option granted under the SIS	-	-	-	3,070	-	3,070	-	3,070
Balance as at 31 March 2016	<u>86,671</u>	<u>22</u>	<u>334</u>	<u>3,070</u>	<u>(50,111)</u>	<u>39,986</u>	<u>(1,537)</u>	<u>38,449</u>
<u>Unaudited</u>								
Balance as at 1 April 2016	86,671	22	334	3,070	(50,111)	39,986	(1,537)	38,449
Total comprehensive loss for the period	-	-	-	-	(5,875)	(5,875)	(11)	(5,886)
Transaction with owners:								
Par Value Reduction	(43,335)	-	-	-	43,335	-	-	-
Ordinary shares issued	4,333	-	-	-	-	4,333	-	4,333
Total transactions with owners	(39,002)	-	-	-	43,335	4,333	-	4,333
Balance as at 30 September 2016	<u>47,669</u>	<u>22</u>	<u>334</u>	<u>3,070</u>	<u>(12,651)</u>	<u>38,444</u>	<u>(1,548)</u>	<u>36,896</u>

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 30 September 2016 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 March 2016.

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 2nd quarter ended 30 September 2016 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	Period ended 30 September 2016 RM'000	Year ended 31 March 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax	(5,886)	(28,828)
Adjustments for :		
Depreciation of property, plant and equipment	526	1,629
Dividend income	(8)	(8)
Interest income	-	(15)
Share-based payment reserve	-	3,070
Loss on disposals of investment securities	152	210
Goodwill on consolidation written off	-	1,596
Loss/(Gain) on change in fairvalue	4,268	12,960
Gain on unrealised foreign exchange	(62)	(40)
Interest expense	9	14
Impairment loss on other investment	-	4,963
Impairment loss on PPE	-	2,124
Property, Plant and equipment written off	-	1
Operating loss before working capital changes	(1,001)	(2,324)
Changes in working capital:		
Withdrawal/(deposit) with financial institution	-	1,000
Proceeds from disposal of Investment securities	2,586	9,405
Purchase of investment securities	(5,282)	(10,886)
Decrease/(Increase) in inventories	7	(155)
(Increase)/Decrease in trade and other receivables	(92)	1,741
(Decrease)/Increase in trade and other payables	(544)	480
Cash generated used in operations	(4,326)	(739)
Dividend received	8	8
Interest received	-	15
Income tax paid	-	-
Net cash generated used in operating activities	(4,318)	(716)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21)	(278)
Net cash used in from investing activities	(21)	(278)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of ordinary shares	4,333	-
Interest paid	(9)	(14)
Net cash generated/(used in) from financing activity	4,324	(14)
Net decrease in cash and cash equivalents	(15)	(1,008)
Cash and cash equivalents at beginning of the year	96	1,104
Cash and cash equivalents at end of the period	81	96
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	81	96

Notes:

The condensed consolidated statements of cash flow for the quarter ended 30 September 2016 is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 31 March 2015.

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

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Quarterly report on results for the 2nd quarter ended 30 September 2016

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 2016. 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 September 2016.

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 2016.

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 September 2016.

- i) On 21 April 2016, 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 involving the cancellation of RM0.05 of the existing par value of the ordinary share of RM0.10 each to RM0.05 each
- ii) On 31 May 2016, the issued and paid-up share capital of the Company was increase from RM43,335,580 to RM47,669,130 by listing of 86,671,000 new ordinary shares of RM0.05 each pursuant to the private placement.

A7 Dividend paid

There were no dividends paid by the Company during the financial quarter ended 30 September 2016.

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. Strategic investment in marketable securities has been reclassify from Portfolio Investment to Incubation segment.

Cumulative Quarter Ended 30 September 2016

	Incubation RM'000	Portfolio Investment RM'000	Green Technology products RM'000	Elimination RM'000	Group RM'000
Revenue					
External sales	-	2,594	-	-	2,594
Intersegment revenue	-	-	-	-	-
	-	2,594	-	-	2,594
Results from operating activities	(3,439)	(909)	(382)		(4,730)
Finance costs		(9)			(9)
Share of profit of associates					-
Net unallocated expenses					(1,146)
(Loss)/Profit before taxation					(5,885)
Tax expense					-
(Loss)/Profit for the period					(5,885)
Segment assets	31,166	1,841	4,162		37,169
Unallocated assets					-
Total assets					37,169
Segment liabilities	149	19	105		273
Unallocated liabilities					-
Total liabilities					273

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A NOTES TO THE INTERIM FINANCIAL REPORT

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 September 2016, the Group has no material capital commitments.

A14 Related party transactions

During the financial quarter ended 30 September 2016, 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

	Current quarter for the period 30 September 2016 RM'000	Current year-to-date for the period 30 September 2016 RM'000
Interest expense	(3)	(9)
Depreciation and amortisation	(264)	(526)
Loss on change of fairvalue	2,382	(4,248)
Unrealised Foreign exchange gain/(loss)	59	62
Exceptional items	-	-

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

B1 Review of performance

For the current quarter ended 30 September 2016 (1 July 2016 to 30 September 2016) the group registered a Profit Before Taxation of RM1.803 million. This was principally due to the marking to market of the group's strategic incubatees and investments in marketable securities. However, for the current period ended 30 September 2016, ABT Group registered a total comprehensive loss of approximately RM 5.886 million on the back of a revenue of RM 2.594 million. The Group's revenue as at 30 September 2016 was as a result of active investments in marketable securities in Malaysia. The Group continues to maintain its strategic investments in marketable securities of synergistic companies, which are considered medium to long term investments, and the division is actively participating in developing incubation activities with these companies.

The Group's comprehensive loss for the period ended 30 September 2016 is as a result of the marking to market of our medium to long term investment. These investments are principally marketable securities where investment values have been severely impacted due to the current weak market sentiment. With the current extremely weak market environment and poor local currency performance, the group expects the operating environment of our incubatees to be very challenging.

Nevertheless, the Group's active participation in its incubatees, namely Vsolar Group Berhad, Focus Dynamics Group Berhad and NetX Holdings Berhad, have yielded positive developments and over time is expected to yield improved results. Management will continue to focus its efforts in enhancing the business operations of these incubate companies.

B2 Variation of results against immediate preceding quarter

	Current quarter 30 September 2016 RM'000	Preceding quarter 30 June 2016 RM'000
Revenue	1,087	1,507
Profit/(Loss) before taxation	1,803	(7,689)

The revenue in the current quarter and preceding quarter was generated from portfolio investments. Profit and losses registered in the current quarter and preceding quarter was mainly due to the marking to market of investment securities.

B3 Prospects

Given the present bearish economic sentiments and a lack of stimulus, the Group expects the remainder of the financial year to be very challenging. However, the Group remains cautiously optimistic as steps are being taken to put the incubatee companies on firmer footing by concentrating on business investments which potentially can generate strong revenues once fully operational. In addition, we expect stronger revenue growth from our incubatee's Food & Beverage operations once all its outlets are deployed. Although further market pressure is expected, management anticipates that these investments will improve in the medium to long term.

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

Certain statutory income of its incubatees are exempted from income tax pursuant to the respective capital gains, pioneer status and foreign exempt income. As such, the effective tax rate for the group is lower than the statutory tax rate for the current quarter and financial year to date.

B6 Group's borrowings and debt securities

The Group has no borrowings or debt securities

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 was no dividend declared for the financial quarter ended 30 September 2016.

B9 Earnings per share

	Current year quarter		Current year to date	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Profit attributable to owners of the Company (RM'000)	1,808	(15,134)	(5,875)	(25,316)
Weighted average number of shares in issue ('000)	866,712	866,712	866,712	866,712
Effect of issuance of ordinary shares pursuant to private placement ('000)	58,254	-	58,254	-
Adjusted weighted average number of shares in issue ('000)	<u>924,966</u>	<u>866,712</u>	<u>924,966</u>	<u>866,712</u>
Gross Interest Income	-	5	-	5
Gross Interest Expense	<u>(3)</u>	<u>(2)</u>	<u>(9)</u>	<u>(2)</u>
Basic profit/(loss) per share (sen)	0.20	(1.75)	(0.64)	(2.92)

There is no dilution in the earnings per share of the Company as the average market values of the warrants as at 30 September 2016 together with the exercise price were higher than the market value of the ordinary shares. Accordingly, there was no assumed full conversion of the warrants into ordinary shares which could result in the dilution of the Company's earning per share.

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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

Below are the status of corporate proposals by the Company.

- a) On 15 June 2015, Artisan Semesta Sdn. Bhd. ("ASSB"), a wholly-owned subsidiary of the Company entered into a Collaboration & Alliance Agreement ("C&A Agreement") with Solar Interactive Sdn. Bhd. ("SISB") to collaborate in the planting and intercropping of food crops utilising ASSB's effective micro-organisms products at SISB's photovoltaic energy generation sites located in Perak (hereinafter referred to as the "Project"). The Project's costs and detailed investment terms of each available site shall be determined on a case-to-case basis mutually between the Parties. The term of the C&A Agreement is for a period of three (3) years, commencing on the date of the C&A Agreement, unless otherwise mutually extended or terminated. The Project have since commenced via the setting up of a pilot hydroponics system where research and testing is being conducted on three (3) different types of vegetables.
- b) On 1 November 2016, the Company announced that its wholly-owned subsidiary, Asiabio Petroleum Sdn. Bhd. ("ABP") has on 1 November 2016 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. ABP and CORAL also agree that ABP shall be the preferred and independent contractor for the project which may be awarded by CORAL to ABP from time to time for the duration of the Agreement.

B11 Realised and Unrealised Profit/(Loss)

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

	As at	
	30 September 2016 RM'000	31 March 2016 RM'000
<u>Unappropriated profits of Company and subsidiaries</u>		
Realised	(16,463)	(53,913)
Unrealised	(3,426)	(3,426)
	<u>(19,889)</u>	<u>(57,339)</u>
<u>Share of retained profits of associates</u>		
Realised	-	-
Unrealised	-	-
	<u>(19,889)</u>	<u>(57,339)</u>
Less : Consolidated adjustments	7,238	7,228
Total Group Retained Profits/(Loss)	<u>(12,651)</u>	<u>(50,111)</u>

B12 Status of Utilisation of Proceeds

Status of utilisation of proceeds as at 30 September 2016.

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Deviation RM'000	Timeframe for the utilisation of proceeds
<u>Private Placement of 86,671,000 Shares</u>					
Subscription of the rights issue of Netx Holdings Berhad	4,084	(4,084)	-	-	Within 6 months
Working capital *	-	(152)	(152)	152	Within 36 months
Estimated expenses	250	(98)	152	(152)	Within 2 weeks
	<u>4,334</u>	<u>(4,334)</u>	<u>-</u>	<u>-</u>	

* The estimated expenses consist of professional fees, fees payable to the relevant authorities and other miscellaneous expenses. Any variation in the actual amount of the expenses for the Proposed Private Placement will be adjusted proportionately to/from the proceeds earmarked for the working capital of the Group

B13 Non-cash items to the Statement of Comprehensive Income

	Current quarter for the period ended 30 September 2016 RM'000	Current year-to-date for the period ended 30 September 2016 RM'000
Total Comprehensive Loss	1,803	(5,886)
Non-Cash items:		
Depreciation of property, plant and equipment	(264)	(526)
Gain/(Loss) on unrealised foreign exchange	59	62
Gain/(Loss) on change in fairvalue	2,382	(4,268)
	<u>2,177</u>	<u>(4,732)</u>
Total Comprehensive loss before non-cash items	<u>(374)</u>	<u>(1,154)</u>

B14 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