

Asia Bioenergy Technologies Berhad

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

Quarterly report on results for the 2nd Quarter ended 31 July 2009 CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter For the period 31 July 2009 RM'000	Preceding year corresponding quarter 31 July 2008 RM'000	Current year-to-date For the period 31 July 2009 RM'000	Preceding year corresponding period 31 July 2008 RM'000
Revenue	294	N/A	1,073	N/A
Cost of sales	(28)	N/A	(526)	N/A
Gross profit	266	N/A	547	N/A
Other operating income	36	N/A	65	N/A
Operating expenses	(227)	N/A	(558)	N/A
Finance cost	(2)	N/A	(3)	N/A
Share of profit of associated companies	0	N/A	251	N/A
Profit before taxation	73	N/A	302	N/A
Tax expense	(1)	N/A	(2)	N/A
Net profit for the period	<u>72</u>	<u>N/A</u>	<u>300</u>	<u>N/A</u>
Attributable to:				
Shareholders of the Company	73	N/A	299	N/A
Minority interest	(1)	N/A	1	N/A
Net profit for the period	<u>72</u>	<u>N/A</u>	<u>300</u>	<u>N/A</u>
Basic Earnings Per Share (sen)	<u>0.03</u>	<u>N/A</u>	<u>0.12</u>	<u>N/A</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 July 2009 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 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 2nd Quarter ended 31 July 2009

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at 31 July 2009 RM'000	Audited As at 31 January 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	829	546
Investment in associated companies	-	9,921
Investments	16,767	5,504
Intangible assets	2,829	2,750
	<u>20,425</u>	<u>18,721</u>
Current assets		
Inventories	59	1
Trade receivables	231	37
Other receivables, deposit and prepayments	1,380	1,037
Cash and cash equivalents	8,994	11,101
	<u>10,664</u>	<u>12,176</u>
TOTAL ASSETS	<u>31,089</u>	<u>30,897</u>
EQUITY AND LIABILITIES		
Share capital	25,000	25,000
Retained earnings	5,895	5,596
Minority interests	22	21
Total equity	<u>30,917</u>	<u>30,617</u>
Non-current liabilities		
Deferred tax liabilities	23	23
Hire purchase creditors	49	49
	<u>72</u>	<u>72</u>
Current liabilities		
Trade payables	-	5
Other payables and accruals	71	147
Hire purchase creditors	29	56
Total current liabilities	<u>100</u>	<u>208</u>
Total liabilities	<u>172</u>	<u>280</u>
TOTAL EQUITY AND LIABILITIES	<u>31,089</u>	<u>30,897</u>
Net assets per share (sen)	<u>12.36</u>	<u>12.24</u>

Notes:

-

-

The condensed consolidated balance sheet is prepared based on the consolidated results of the Group for the quarter ended 31 July 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 July 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 2nd Quarter ended 31 July 2009 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital	Retained Earnings	Minority Interest	Total
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 February 2009	25,000	5,596	21	30,617
Net profit for the financial period	-	299	1	300
Balance as at 31 July 2009	<u>25,000</u>	<u>5,895</u>	<u>22</u>	<u>30,917</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 July 2009 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 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 2nd Quarter ended 31 July 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Quarter ended 31 July 2009 RM'000	Quarter ended 31 July 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	302	N/A
Adjustments for :		
Amortisation of intangible assets	-	N/A
Depreciation of property, plant and equipment	73	N/A
Interest income from fixed deposits	(62)	N/A
Interest expense	3	N/A
Dividend income	(100)	
Share of profit of associated companies	(251)	N/A
Operating profit before working capital changes	<u>(35)</u>	<u>N/A</u>
Changes in working capital:		
Increase in inventories	(58)	N/A
Increase in trade and other receivables	(530)	N/A
Decrease in trade and other payables	(35)	N/A
Cash used in operations	<u>(658)</u>	<u>N/A</u>
Income tax paid	(53)	N/A
Net cash used in operating activities	<u>(711)</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(78)	N/A
Purchase of property, plant and equipment	(357)	N/A
Dividend income received	100	N/A
Acquisition of other investments	(1,093)	N/A
Interest received	62	
Net cash used in investing activities	<u>(1,366)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3)	N/A
Repayment of hire purchase	(27)	
Net cash used in financing activities	<u>(30)</u>	<u>N/A</u>
Net decrease in cash and cash equivalents	<u>(2,107)</u>	<u>N/A</u>
Cash and cash equivalents at beginning of period	11,101	N/A
Cash and cash equivalents at end of period	<u>8,994</u>	<u>N/A</u>
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	2,337	N/A
Fixed deposit placements with financial institutions	6,657	N/A
	<u>8,994</u>	<u>N/A</u>

Notes:

The condensed consolidated cash flow statement for the quarter ended 31 July 2009 is to be read in conjunction with the audited consolidated financial statements of ABT for the financial year ended 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 2nd Quarter ended 31 July 2009

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 July 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

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

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 July 2009.

A7 Dividend paid

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

Asia Bioenergy Technologies Berhad

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

Quarterly report on results for the 2nd Quarter ended 31 July 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 July 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	220	493	356	4	1,073
Results from operating	(89)	7	301	-	219
Finance Costs					(3)
Share of profit of associates					251
Net unallocated expenses					(165)
Profit before taxation					302
Tax expense					(2)
Profit for the period					300
Segment assets	28,824	883	880	502	31,089
Total assets					31,089
Segment	128	7	35	2	172
Total liabilities					172

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

The Company undertook an internal restructuring on 30 July 2009 wherein 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. This was completed on 1 August 2009.

Subsequent thereto, the Company announced that it had on 30 July 2009 entered into Shareholders' and Technology Transfer Agreement with Xtra Meridian Sdn Bhd ("Technology Partner"), Zenline Consolidated Sdn Bhd ("Angel 1") and Gallant Prism Sdn Bhd ("Angel 2"), for a Microbial Propagation Technology Joint Venture involving ALC Management Sdn Bhd ("ALCM") wherein the Angel Investors shall each invest RM950,000 whilst the Company shall invest RM1,300,000 in ALCM. Subsequently ALCM shall acquire microbial propagation technology from the Technology Partner 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%. This proposal have been completed on 25 August 2009.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 2nd Quarter ended 31 July 2009

A NOTES TO THE INTERIM FINANCIAL REPORT

A11 Changes in the composition of the Group

On 30 July 2009, ALC Management Sdn Bhd, a wholly owned subsidiary of the Group, acquired the entire equity interest in a inactive dormant company, Sakana Bio Farm Sdn Bhd for a total cash consideration of RM2.

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 July 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 July 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)
(Incorporated in Malaysia)

Quarterly report on results for the 2nd Quarter ended 31 July 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 RM300,000 on the back of a consolidated revenue of RM1,073,000. The main contributor of the Group's contribution were from profit from associates which contributed about RM251,000.

B2 Variation of results against immediate preceding quarter

	Current quarter 31 July 2009 RM'000	Preceding quarter 30 April 2009 RM'000
Revenue	294	779
Profit before taxation	73	229

Revenue decreased for the current quarter as compared to the preceding quarter due to decreased in sales derived from Eco-sponge as biodiesel industry is still erratic due to fluctuating feedstock prices.

Profit before taxation was lower in the current quarter due to Grand Inizio Berhad being reclassified from an associate company to a long term investment resulting in the Group not equity accounting the earnings of Grand Inizio from the date of the reclassification on 6 March 2009.

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 July 2009 RM'000	Current year to date 31 July 2009 RM'000
Income tax based on the results for the period under review	(1)	(2)

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

B6 Unquoted investments and properties

In the financial year ended 31 July 2009, the Group has further invested RM600,000 in convertible preference shares of Nexfuel Sdn. Bhd.

B7 Quoted securities

In the financial quarter ended 31 July 2009, the Group made the following investments in quoted securities:

	At cost RM'000	Market value as at 31 July 2009 RM'000
Quoted securities	491	592

B8 Group's borrowings and debt securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Hire purchase creditor	29	-	29
Long Term borrowings:-			
Hire purchase creditor	49	-	49
Total	78	-	78

The Group does not have any foreign currency borrowings.

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 2nd Quarter ended 31 July 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 July 2009.

B12 Earnings per share

	Current year quarter		Current year to date	
	31 July 2009	31 July 2008	31 July 2009	31 July 2008
Profit after taxation and minority interests (RM'000)	73	N/A	299	N/A
Number of shares in issue ('000)	250,000	N/A	250,000	N/A
Basic earnings per share (sen)	0.03	N/A	0.12	N/A

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

B13 Status of corporate proposals

- 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 yet to be completed as at the date of this report.
- On 30 July 2009, the Company announced that it had on 30 July 2009 entered into Shareholders' and Technology Transfer Agreement with Xtra Meridian Sdn Bhd ("Technology Partner"), Zenline Consolidated Sdn Bhd ("Angel 1") and Gallant Prism Sdn Bhd ("Angel 2"), for a Microbial Propagation Technology Joint Venture involving ALC Management Sdn Bhd ("ALCM" wherein the Angel Investors shall each invest RM950,000 whilst the Company shall invest RM1,300,000 in ALCM. Subsequently ALCM shall acquire microbial propagation technology from the Technology Partner for RM3,000,000 cash and 900,000 shares. This proposal have been completed on 25 August 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 30 July 2009 RM'000	Timeframe for the utilisation of proceed
Technology incubation fund	8,000	4,600	3,400	Within 3 years
Research and development and related activities and capital expenditure	2,000	123	1,877	Within 3 years
Working Capital	1,400	771	629	Within 1 year
Listing expenses	1,500	1,386	114	*Within 6 months
	<u>12,900</u>	<u>6,880</u>	<u>6,020</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 25 September 2009.

On Behalf of the Board

Wong Wei Fong
Koh Joo Hian
Company Secretaries

Date: 25 September 2009

Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 2nd Quarter ended 31 July 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 and palm fatty acid distillate based biodiesel esterification technologies 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 on. Grand Inizio contributed about RM251,000 to the Group's earnings in the financial period ended 31 July 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.

Eco-Sponge contributed about RM5,000 in the financial period ended 31 July 2009 to the earnings of the ABT Group.

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

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

ALC Management Sdn Bhd have entered into a joint venture agreement on 30 July 2009 with Jatroleum Agrotech Sdn Bhd ("Jatroleum") (formerly known as Xtra Meridian Sdn Bhd) for a microbial propagation technology joint venture. Zyme Group, which comprise Sakana Bio Farm Sdn Bhd and STSB Technology Sdn Bhd, will provide a one-stop centre for all microbial needs (from system/solutions set-up to sale of parent material and end microbial products). On 28 August 2009, for re-branding purposes, ALC Management Sdn Bhd was renamed to Asiabio Zyme Solutions Sdn Bhd.

Zyme Group has commercialised its microbial product in August 2009 as it has signed an OEM supply agreement with China Power Enterprise (HK) Co Ltd, a company that is a sole agent for Dongguan BaoDe Biological Engineering Co Ltd, a group that owns a microbial propagation factory in China, for the OEM manufacture and supply of various microbial products to Zyme Group.

Zyme Group is currently setting up a Microbial Propagation biotechnology facility, targetted to be operational by end September/October 2009.

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