

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 2010

(The figures have not been audited)

Asia Bioenergy Technologies Berhad

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

Quarterly report on results for the 4th Quarter ended 31 January 2010 CONDENSED CONSOLIDATED BALANCE SHEET

(The figures have not been audited)

	Unaudited As at 31 January 2010 RM'000	Audited As at 31 January 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,092	546
Investment in associated companies	1,992	9,921
Investments	14,631	5,504
Intangible assets	6,139	2,750
	<u>25,854</u>	<u>18,721</u>
Current assets		
Inventories	-	1
Trade receivables	-	37
Amount due from contract customers	807	-
Other receivables, deposit and prepayments	364	1,037
Cash and cash equivalents	5,353	11,101
	<u>6,524</u>	<u>12,176</u>
TOTAL ASSETS	<u>32,378</u>	<u>30,897</u>
EQUITY AND LIABILITIES		
Share capital	25,000	25,000
Retained earnings	6,162	5,596
Other Reserves	(3)	-
Minority interests	1,047	21
Total equity	<u>32,206</u>	<u>30,617</u>
Non-current liabilities		
Deferred tax liabilities	-	23
Hire purchase creditors	-	49
	<u>-</u>	<u>72</u>
Current liabilities		
Trade payables	109	5
Other payables and accruals	63	147
Hire purchase creditors	-	56
Total current liabilities	<u>172</u>	<u>208</u>
Total liabilities	<u>172</u>	<u>280</u>
TOTAL EQUITY AND LIABILITIES	<u>32,378</u>	<u>30,897</u>
Net assets per share (sen)	<u>12.46</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 January 2010 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 January 2010 whilst for the preceeding year corresponding quarter is based on 120,000,000 shares in issue as at 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 4th Quarter ended 31 January 2010 CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter For the period 31 January 2010 RM'000	Preceding year corresponding quarter 31 January 2009 RM'000	Current year-to-date For the period 31 January 2010 RM'000	Preceding year corresponding period 31 January 2009 RM'000
Revenue	1,002	242	3,476	344
Cost of sales	(332)	(26)	(2,067)	(55)
Gross profit	670	216	1,409	289
Other operating income	8	50	151	51
Operating expenses	(323)	(538)	(1,174)	(592)
Listing expenses	-	(726)	-	(1,176)
Finance cost	(5)	(1)	(8)	(2)
Share of profit of associated companies	221	1,527	521	2,461
Excess of fair value of net assets acquired over the consideration	37	-	37	4,565
Profit before taxation	608	528	936	5,596
Tax expense	-	(18)	(22)	5
Net profit for the period	<u>608</u>	<u>510</u>	<u>914</u>	<u>5,601</u>
Attributable to:				
Shareholders of the Company	260	508	566	5,599
Minority interest	348	2	348	2
Net profit for the period	<u>608</u>	<u>510</u>	<u>914</u>	<u>5,601</u>
Basic Earnings Per Share (sen)	<u>0.10</u>	<u>0.33</u>	<u>0.23</u>	<u>3.69</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 January 2010 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 4th Quarter ended 31 January 2010 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Quarter ended 31 January 2010 RM'000	Quarter ended 31 January 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	936	5,596
Adjustments for :		
Amortisation of intangible assets	5	-
Depreciation of property, plant and equipment	190	50
Property, plant and equipment written off	8	-
Listing expenses	-	1,176
Excess of fair value of net assets acquired over the consideration	(37)	(4,565)
Dividend income	(100)	-
Gain on dilution of investment in an associated company	(55)	-
Interest income from fixed deposits	(88)	(51)
Interest expense	8	2
Loss on deemed disposal of subsidiary companies	11	-
Loss on disposal of other investment	37	-
Share of profit of associated companies	(521)	(2,460)
Operating profit/(loss) before working capital changes	394	(252)
Changes in working capital:		
Increase in inventories	1	(1)
Increase in trade and other receivables	5,888	(776)
Decrease in trade and other payables	(5,135)	(313)
Cash generated from/(used in) operations	1,148	(1,342)
Income tax/duty paid/refund	(86)	(80)
Net cash generated from/(used in) operating activities	1,062	(1,422)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(152)	(130)
Purchase of property, plant and equipment	(2,105)	(3)
Proceed from disposal of investment	454	-
Dividend income received	100	885
Net cash outflow from deemed disposal of subsidiary companies	(2,105)	-
Net cash inflow from acquisition of subsidiary companies	518	1,724
Acquisition of other investments	(3,488)	(1,500)
Interest received	88	51
Net cash (used in)/generated from investing activities	(6,690)	1,027
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(8)	(2)
Proceeds from issuance of shares	-	12,900
Repayment of hire purchase	(105)	(23)
Shares issuance expenses paid	-	(1,379)
Net cash (used in)/generated from financing activities	(113)	11,496
Effects of exchange rate changes on cash and cash equivalents	(7)	-
Net (decrease)/increase in cash and cash equivalents	(5,748)	11,101
Cash and cash equivalents at beginning of period	11,101	-
Cash and cash equivalents at end of period	5,353	11,101
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	1,353	11,101
Fixed deposit placements with financial institutions	4,000	-
	5,353	11,101

Notes:

The condensed consolidated cash flow statement for the quarter ended 31 January 2010 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

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Quarterly report on results for the 4th Quarter ended 31 January 2010 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Exchange Reserves RM'000	Minority Interest RM'000	Total RM'000
Audited						
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
Unaudited						
Balance as at 1 February 2009	25,000	-	5,596	-	21	30,617
Acquisition of deemed subsidiary	-	-	-	-	682	682
Exchange Translation Difference	-	-	-	(3)	(4)	(7)
Net profit for the financial period	-	-	566	-	348	914
Balance as at 31 January 2010	25,000	-	6,162	(3)	1,047	32,206

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 2010 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.

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Quarterly report on results for the 4th Quarter ended 31 January 2010

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 January 2010.

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 January 2010.

A7 Dividend paid

There were no dividends paid by the Company during the financial quarter ended 31 January 2010.

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Quarterly report on results for the 4th Quarter ended 31 January 2010

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 2010

	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	1,616	558	360	942	3,476
Results from operating activities	(88)	(21)	277	604	772
Finance Costs					(8)
Loss on deemed disposal of subsidiaries					(11)
Gain on dilution of associates					55
Share of profit of associates					521
Excess of fair value of net assets acquired over the consideration					37
Net unallocated expenses					(430)
Profit before taxation					936
Tax expense					(22)
Profit for the period					914
Segment assets	29,053	1,475	-	1,850	32,378
Total assets					32,378
Segment liabilities	32	7	-	133	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

Saved as disclosed below, there were no material events occurring subsequent to the end of the quarter.

- The Group had on 12 March 2010 entered into a Sale and Purchase Agreement ("SPA") with New Ouchee Enterprise Sdn Bhd for the acquisition of one and a half storey semi-detached factory for a cash consideration of RM2.08 million ("Proposed Acquisition"). The Proposed Acquisition is expected to be completed within three (3) months from the date of the SPA.

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A NOTES TO THE INTERIM FINANCIAL REPORT

A11 Changes in the composition of the Group

- a) On 3 November 2009, Asiabio Zyme Solutions Sdn Bhd, its associated company, acquired the entire equity interest in Crisiant Kouseki Seishou Sdn Bhd ("Crisiant") for a total cash consideration of RM2. Crisiant was then renamed to Asiabio Zyme Engineering Sdn Bhd.
- b) On 15 December 2009, the Company and Asia Bioenergy Research Sdn Bhd (a wholly owned subsidiary), converted a total of 4,004,000 convertible preference shares of RM0.10 each in Nexfuel Sdn Bhd to 144,000 ordinary shares of RM1.00 each in Nexfuel Sdn Bhd, representing an equity interest of 40% in Nexfuel Sdn Bhd.
- c) On 29 January 2010, Asiabio Zyme Engineering Sdn Bhd ("Zyme Engineering") entered into a collaboration with QS Systems Sdn Bhd ("QS Systems") wherein QS Systems subscribed for 30,000 shares in Zyme Engineering for RM1 million worth of machineries, diluting Asiabio Zyme Solutions Sdn Bhd's (formerly known as ALC Management Sdn Bhd) equity in Zyme Engineering to 70%.

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 2010, the Group has no material capital commitments in respect of property, plant and equipment save as disclosed below.

Contracted but not provided for	RM 136,200
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A14 Significant related party transactions

During the financial quarter ended 31 January 2010, 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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Quarterly report on results for the 4th Quarter ended 31 January 2010

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 recorded a consolidated profit after taxation of approximately RM914,000 on the back of a consolidated revenue of RM3.47 million. The main contributor of the Group's contribution were from profit from Nexfuel and share of profits from associated companies.

B2 Variation of results against immediate preceding quarter

	Current quarter 31 January 2010 RM'000	Preceding quarter 31 October 2009 RM'000
Revenue	1,002	1,401
Profit before taxation	608	26

Revenue increased for the current quarter as compared to the preceeding quarter mainly due to increased contract sales from Nexfuel group.

Profit before taxation was higher in the current quarter due to increased contract profits from Nexfuel group.

B3 Prospects for the current financial year ended 31 January 2010

Barring any unforeseen circumstances, the Directors believe that the Group will remain profitable for the financial year ended 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 ended 31 January 2010.

B5 Income tax expense

	Current year quarter 31 January 2010 RM'000	Current year to date 31 January 2010 RM'000
Underprovision of tax in prior year	(9)	13
Income tax based on the results for the period under review	9	9
	<u>-</u>	<u>22</u>

The low income tax for the current 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

In the financial period ended 31 January 2010, the Group has subscribed for its entitlement to a rights issue by Asiabio Zyme Solutions Sdn Bhd and Platinum Energy Sdn Bhd, amounting to RM92,000 and RM404,760 respectively.

B7 Quoted securities

As at 31 January 2010, the Group does not hold any investments in quoted securities.

B8 Group's borrowings and debt securities

The Group do not have any borrowings as at 31 January 2010.

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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

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 January 2010.

B12 Earnings per share

	Current year quarter		Current year to date	
	31 January 2010	31 January 2009	31 January 2010	31 January 2009
Profit after taxation and minority interests (RM'000)	260	508	566	5,599
Weighted average number of shares in issue ('000)	250,000	151,721	250,000	151,721
Basic earnings per share (sen)	0.10	0.33	0.23	3.69

Diluted earnings per share is not computed as the Company did not have any convertible financial instruments as at 31 January 2010.

B13 Status of corporate proposals

Save as disclosed in Note A10, the Group do not have any other uncompleted corporate proposals.

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	Unutilised	Timeframe for the
	Utilisation of		proceeds as at 31	
	Proceeds	proceeds	January 2010	proceed
	RM'000	RM'000	RM'000	
Technology incubation fund	8,000	7,892	108	Within 3 years
Research and development and related activities and capital expenditure	2,000	917	1,083	Within 3 years
Working Capital	1,400	1,514	(114)	Within 1 year
Listing expenses	1,500	1,386	114	*Within 6 months
	<u>12,900</u>	<u>11,709</u>	<u>1,191</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 29 March 2010.

On Behalf of the Board

Wong Wei Fong
Loh Woan Fen
Company Secretaries

Date: 29 March 2010

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ADDITIONAL DISCLOSURE REQUIREMENTS FOR TECHNOLOGY INCUBATORS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE 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 on. Grand Inizio contributed about RM251,000 to the Group's earnings during the financial year ended 31 January 2010.

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 early 2010.

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

3 Nexfuel Sdn Bhd ("Nexfuel")

Nexfuel has diversified its activities into biomass conversion technologies and have secured a contract to supply biomass conversion technologies to a client in Indonesia.

Nexfuel Group recorded a profit of approximately RM571k in the current financial year ended 31 January 2010.

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

Zyme is involved in microbial propagation technology and comprise two wholly owned subsidiaries, namely Asiabio Zyme Systems Sdn Bhd and Asiabio ZymeScience Sdn Bhd ("Zyme Group" or "Group"). On 3 November 2009, Zyme acquired Asiabio Zyme Engineering Sdn Bhd (formerly known as Crisiant Kouseki Seishou Sdn Bhd) to be involved in Cellulosic composting microbe process engineering works. The Group 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 commercial microbial propagation facility has completed commissioning end March 2010. Zyme Group is also currently working with several plantation groups for the application of its microbe based products.

Zyme Group recorded a profit of approximately RM710k in the current financial year ended 31 January 2010.