



Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 3rd quarter ended 31 December 2016

Asia Bioenergy Technologies Berhad

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

Quarterly report on results for the 3rd quarter ended 31 December 2016 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited As at 31 December 2016 RM'000	Audited As at 31 March 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,095	7,870
Investment securities	32,961	25,083
	40,056	32,953
Current assets		
Trade and other receivables, deposit and prepayments	1,454	1,179
Investment securities	1,800	4,665
Inventories	359	375
Cash and cash equivalents	1,129	96
	4,742	6,315
TOTAL ASSETS	44,798	39,268
EQUITY AND LIABILITIES		
Share capital	53,669	86,671
Reserves	8,894	3,426
Accumulated losses	(20,577)	(50,111)
Total equity attributable to owners of the Company	41,986	39,986
Non-controlling interest	(1,555)	(1,537)
Total equity	40,431	38,449
Current liabilities		
Trade and other payables	4,367	819
Total current liabilities	4,367	819
Total liabilities	4,367	819
TOTAL EQUITY AND LIABILITIES	44,798	39,268
Net assets per share attributable to equity holders of the Company (sen)	3.91	4.61

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 December 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 1,073,382,600 ordinary shares of RM0.05 each in issue as at 31 December 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 3rd quarter ended 31 December 2016 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter for the period ended 31 December 2016 RM'000	Preceding year corresponding quarter ended 31 December 2015 RM'000	Current year-to-date for the period ended 31 December 2016 RM'000	Preceding year corresponding period ended 31 December 2015 RM'000
Revenue	881	91	3,475	6,575
Cost of sales	(1,023)	(346)	(4,007)	(7,444)
Gross profit/(loss)	(142)	(255)	(532)	(869)
Other operating income	42	7,806	2,524	8,364
Operating expenses	(6,375)	(723)	(7,711)	(9,445)
Other operating expenses	-	-	-	-
- Fair value loss on investment securities	(1,449)	-	(8,082)	(16,748)
Finance costs	(9)	-	(18)	(2)
Share of profit of associated companies	-	248	-	287
Profit/(Loss) before taxation	(7,933)	7,076	(13,819)	(18,413)
Tax expense	-	-	-	-
Profit/(Loss) for the period	(7,933)	7,076	(13,819)	(18,413)
Total comprehensive income/(loss) for the period	(7,933)	7,076	(13,819)	(18,413)
Profit/(Loss) attributable to:				
Owners of the Company	(7,926)	7,156	(13,801)	(18,160)
Non-controlling interest	(7)	(80)	(18)	(253)
	(7,933)	7,076	(13,819)	(18,413)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(7,926)	7,156	(13,801)	(18,160)
Non-controlling interest	(7)	(80)	(18)	(253)
	(7,933)	7,076	(13,819)	(18,413)
Basic Earnings/(Loss) Per Share attributable to equity owners of the Company (sen)	(0.83)	0.83	(1.44)	(2.10)

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 31 December 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.

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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	86,671	22	334	3,070	(50,111)	39,986	(1,537)	38,449	
<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	-	-	-	-	(13,801)	(13,801)	(18)	(13,819)	
Transaction with owners:									
Par Value Reduction	(43,335)	-	-	-	43,335	-	-	-	
Share Option granted under the SIS	-	-	-	5,468	-	5,468	-	5,468	
Issuance of ordinary shares pursuant to SIS	6,000	4,104	-	(4,104)	-	6,000	-	6,000	
Ordinary shares issued	4,333	-	-	-	-	4,333	-	4,333	
Total transactions with owners	(33,002)	4,104	-	1,364	43,335	15,801	-	15,801	
Balance as at 31 December 2016	53,669	4,126	334	4,434	(20,577)	41,986	(1,555)	40,431	

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 December 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.

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Quarterly report on results for the 3rd quarter ended 31 December 2016

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	Period ended 31 December 2016 RM'000	Year ended 31 March 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax	(13,819)	(28,828)
Adjustments for :		
Depreciation of property, plant and equipment	787	1,629
Dividend income	(8)	(8)
Interest income	-	(15)
Gain on disposal of PPE	(2)	-
Bad debt written off	7	-
Share-based payment reserve	5,468	3,070
Loss on disposals of investment securities	210	210
Goodwill on consolidation written off	-	1,596
Fair value Loss on investment securities	5,719	12,960
Gain on unrealised foreign exchange	(139)	(40)
Interest expense	18	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	(1,759)	(2,324)
Changes in working capital:		
Withdrawal/(deposit) with financial institution	-	1,000
Proceeds from disposal of Investment securities	3,020	9,405
Purchase of investment securities	(13,908)	(10,886)
Decrease/(Increase) in inventories	16	(155)
(Increase)/Decrease in trade and other receivables	(234)	1,741
(Decrease)/Increase in trade and other payables	3,585	480
Cash generated used in operations	(9,280)	(739)
Dividend received	8	8
Interest received	-	15
Net cash used in operating activities	(9,272)	(716)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26)	(278)
Proceeds from disposal of PPE	15	-
Net cash used in investing activities	(11)	(278)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of ordinary shares	10,334	-
Interest paid	(18)	(14)
Net cash generated/(used in) financing activity	10,316	(14)
Net increase/(decrease) in cash and cash equivalents	1,033	(1,008)
Cash and cash equivalents at beginning of the year	96	1,104
Cash and cash equivalents at end of the period	1,129	96
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	1,129	96

Notes:

The condensed consolidated statements of cash flow for the quarter ended 31 December 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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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 31 December 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 31 December 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.
- iii) On 27 Oct 2016 & 24 November 2016 the issued and paid-up share capital of the Company was increased from RM47,669,130 to RM53,669,130 by listing of 80,000,000 & 40,000,000 new ordinary shares of RM0.05 each respectively pursuant to the exercise of SIS

A7 Dividend paid

There were no dividends paid by the Company during the financial quarter ended 31 December 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 31 December 2016

	Incubation RM'000	Portfolio Investment RM'000	Green Technology products RM'000	O & G services RM'000	Elimination RM'000	Group RM'000
Revenue						
External sales	-	3,028	4	443	-	3,475
Intersegment revenue	-	-	-	-	-	-
	-	3,028	4	443	-	3,475
Results from operating activities	(4,802)	(1,013)	(562)	(4)		(6,381)
Finance costs		(18)				(18)
Share of profit of associates						-
Net unallocated expenses						(7,420)
(Loss)/Profit before taxation						(13,819)
Tax expense						-
(Loss)/Profit for the period						(13,819)
Segment assets	38,084	2,241	4,025	448		44,798
Unallocated assets						-
Total assets						44,798
Segment liabilities	64	4,215	88	-		4,367
Unallocated liabilities						-
Total liabilities						4,367

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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 31 December 2016, the Group has no material capital commitments.

A14 Related party transactions

During the financial quarter ended 31 December 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 ended 31 December 2016 RM'000	Current year-to-date for the period 31 December 2016 RM'000
Interest expense	(9)	(18)
Depreciation and amortisation	(261)	(787)
Provision for and write off of receivable	(7)	(7)
Gain or (loss) of disposal of quoted or unquoted investments or properties (non revenue)	2	2
Fair value loss on marketable securities	(1,451)	(5,699)
Unrealised Foreign exchange gain/(loss)	77	139
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 period ended 31 December 2016, ABT Group registered a total comprehensive loss of approximately RM 13,819 million on the back of revenue of RM 3.475 million. The Group's revenue as at 31 December 2016 was as a result of active investments in marketable securities in Malaysia and minor sales registered from our new Oil & Gas services division pursuant to the collaboration agreement with Coral Alliance Sdn Bhd which was announced on 3 November 2016. 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 31 December 2016 is as a result of the marking to market of our medium to long term investments. 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 sentiment, the group expects the operating environment of our incubatees to continue to be 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 and is cautiously optimistic that the market value of these investments will improve in the medium term.

B2 Variation of results against immediate preceding quarter

	Current quarter 31 December 2016 RM'000	Preceding quarter 30 September 2016 RM'000
Revenue	881	1,087
Profit/(Loss) before taxation	(7,933)	1,803

The revenue in the current quarter was generated from portfolio investments and Oil & Gas services whilst preceding quarter was mainly generated from portfolio investments. Losses registered in the current quarter was due to share-based compensation pursuant to offer of options under Share Issuance Scheme ("SIS") to eligible employees and the marking to market of our listed investment whilst preceding quarter profit was mainly due to the marking to market of investment securities.

B3 Prospects

With the current lack of stimulus, the Group expects the remainder of the financial year to be lacklustre. However, the Group will continue to take steps to put the incubatee companies on firmer footing by concentrating on business investments which potentially can generate strong revenues. With Focus's Food & Beverage operations showing improved cashflows, the group anticipates a better turn around once all its outlets are fully operational. 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 31 December 2016.

B9 Earnings per share

	Current year quarter		Current year to date	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Profit attributable to owners of the Company (RM'000)	(7,926)	7,156	(13,801)	(18,160)
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)	67,761	-	67,761	-
Effective of issuance of ordinary shares pursuant to exercise of SIS ('000)	24,727	-	24,727	-
Adjusted weighted average number of shares in issue ('000)	<u>959,200</u>	<u>866,712</u>	<u>959,200</u>	<u>866,712</u>
Gross Interest Income	-	5	-	5
Gross Interest Expense	<u>(9)</u>	<u>(2)</u>	<u>(18)</u>	<u>(2)</u>
Basic profit/(loss) per share (sen)	(0.83)	0.83	(1.44)	(2.10)

There is no dilution in the earnings per share of the Company as the average market values of the warrants as at 31 December 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

There were no corporate proposal announced but not completed to be disclosed for the period under review.

B11 Realised and Unrealised Profit/(Loss)

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

	As at	
	31 December 2016	31 March 2016
	RM'000	RM'000
<u>Unappropriated profits of Company and subsidiaries</u>		
Realised	(18,929)	(53,913)
Unrealised	(8,894)	(3,426)
	(27,823)	(57,339)
Less : Consolidated adjustments	7,246	7,228
Total Group Retained Profits/(Loss)	(20,577)	(50,111)

B12 Non-cash items to the Statement of Comprehensive Income

	Current quarter for the period ended 31 December 2016 RM'000	Current year-to-date for the period ended 31 December 2016 RM'000
Total Comprehensive Loss	(7,933)	(13,819)
Non-Cash items:		
Depreciation of property, plant and equipment	(261)	(787)
Gain/(Loss) on unrealised foreign exchange	77	139
Gain/(Loss) on change in fairvalue	(1,451)	(5,719)
Share-based payment reserve	(5,468)	(5,468)
	(7,103)	(11,835)
Total Comprehensive loss before non-cash items	(830)	(1,984)

B13 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