



Asia Bioenergy Technologies Berhad

(Company No. 774628-U)

(Incorporated in Malaysia)

Quarterly report on results for the 3rd quarter ended 31 December 2015

Asia Bioenergy Technologies Berhad

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

Quarterly report on results for the 3rd quarter ended 31 December 2015 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited As at 31 December 2015 RM'000	Audited As at 31 March 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,331	11,346
Investment in Associated Company	3,087	-
Available-for-sale investments	4,963	4,963
Investment securities	23,899	
Intangible assets	1,596	1,588
	43,876	17,897
Current assets		
Trade and other receivables, deposit and prepayments	2,400	2,857
Investment securities	5,573	41,448
Deposit with Financial Institution	-	1,000
Inventories	263	220
Cash and cash equivalents	120	1,104
	8,356	46,629
TOTAL ASSETS	52,232	64,526
EQUITY AND LIABILITIES		
Share capital	86,671	86,671
Reserves	6,460	356
Accumulated losses	(40,839)	(22,679)
Total equity attributable to owners of the Company	52,292	64,348
Non-controlling interest	(394)	(141)
Total equity	51,898	64,207
Current liabilities		
Trade and other payables	334	319
Deferred income	-	-
Total current liabilities	334	319
Total liabilities	334	319
TOTAL EQUITY AND LIABILITIES	52,232	64,526
Net assets per share attributable to equity holders of the Company (sen)	6.03	7.42

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 2015 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial period ended 31 March 2015.

Net assets per share is arrived at based on the total Group's net assets over the 866,711,600 ordinary shares of RM0.10 each in issue as at 31 December 2015.

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 2015 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 2015 RM'000	Preceding year corresponding quarter ended 31 December 2014 RM'000	Current year-to-date for the period ended 31 December 2015 RM'000	Preceding year corresponding period ended 31 December 2014 RM'000
Revenue	91	N/A	6,575	N/A
Cost of sales	(346)	N/A	(7,444)	N/A
Gross loss	(255)	N/A	(869)	N/A
Other operating income	7,806	N/A	8,364	N/A
Operating expenses	(723)	N/A	(26,193)	N/A
Finance costs	-	N/A	(2)	N/A
Share of profit of associated companies	248	N/A	287	N/A
Profit/(Loss) before taxation	7,076	N/A	(18,413)	N/A
Tax expense	-	N/A	-	N/A
Profit/(Loss) for the period	7,076	N/A	(18,413)	N/A
Total comprehensive profit/(loss) for the period	7,076	N/A	(18,413)	N/A
Profit/(Loss) attributable to:				
Owners of the Company	7,156	N/A	(18,160)	N/A
Non-controlling interest	(80)	N/A	(253)	N/A
	7,076	N/A	(18,413)	N/A
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	7,156	N/A	(18,160)	N/A
Non-controlling interest	(80)	N/A	(253)	N/A
	7,076	N/A	(18,413)	N/A
Basic Earnings/(Loss) Per Share attributable to equity owners of the Company (sen)	0.83	N/A	(2.10)	N/A

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 31 December 2015 and is to be read in conjunction with the audited consolidated financial statements of ABT for the financial period ended 31 March 2015.

There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from January 2015 to March 2015.

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 February 2014	42,020	-	-	-	(18,549)	23,471	45	23,516
Arising from the Right Issue of Shares with Warrants	42,020	-	356	-	(356)	42,020	-	42,020
Exercise of Warrants	2,631	22	(22)	-	-	2,631	-	2,631
Total comprehensive loss for the year	-	-	-	-	(3,774)	(3,774)	(186)	(3,960)
Balance as at 31 March 2015	<u>86,671</u>	<u>22</u>	<u>334</u>	<u>-</u>	<u>(22,679)</u>	<u>64,348</u>	<u>(141)</u>	<u>64,207</u>
<u>Unaudited</u>								
Balance as at 1 April 2015	86,671	22	334	-	(22,679)	64,348	(141)	64,207
Total comprehensive loss for the period	-	-	-	-	(18,160)	(18,160)	(253)	(18,413)
Share option granted under the SIS	-	-	-	6,104	-	6,104	-	6,104
Balance as at 31 December 2015	<u>86,671</u>	<u>22</u>	<u>334</u>	<u>6,104</u>	<u>(40,839)</u>	<u>52,292</u>	<u>(394)</u>	<u>51,898</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 December 2015 and 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.

Asia Bioenergy Technologies Berhad

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Quarterly report on results for the 3rd quarter ended 31 December 2015

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	Period ended 31 December 2015 RM'000	Period ended 31 March 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax	(18,413)	(3,960)
Adjustments for :		
Depreciation of property, plant and equipment	1,219	1,083
Loss on disposal of other investment	(282)	(1,934)
Share-based payment reserve	6,105	-
Loss on disposals of investment securities	78	1,096
Goodwill on consolidation written off	-	1,176
Loss/(Gain) on change in fairvalue	9,783	(2,455)
Gain on foreign exchange	(203)	(338)
Interest expense	2	6
Impairment loss on investment in Associate	280	-
Impairment loss on other investment	-	3,795
Property, Plant and equipment written off	-	40
Share of profit of associated companies	(287)	-
Operating loss before working capital changes	<u>(1,718)</u>	<u>(1,491)</u>
Changes in working capital:		
Withdrawal/(deposit) with financial institution	1,000	900
Proceeds from disposal of Investment securities	6,470	52,538
Purchase of investment securities	(7,151)	(86,604)
Increase in inventories	(43)	(220)
Decrease/(Increase) in trade and other receivables	658	(1,807)
Decrease in trade and other payables	14	(275)
Cash generated from/(used in) operations	<u>(770)</u>	<u>(36,959)</u>
Income tax paid	-	-
Net cash generated from/(used in) operating activities	<u>(770)</u>	<u>(36,959)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(204)	(8,069)
Purchase of unquoted investment	-	(660)
Proceeds from disposal of investment	-	926
Net cash outflow from acquisition of subsidiary company	(8)	(3)
Net cash (used in)/generated from investing activities	<u>(212)</u>	<u>(7,806)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of ordinary shares	-	42,020
Proceeds from exercise of Warrants	-	2,631
Interest paid	(2)	(6)
Net cash (used in)/generated from financing activity	<u>(2)</u>	<u>44,645</u>
Net increase/(decrease) in cash and cash equivalents	(984)	(120)
Cash and cash equivalents at beginning of the year	1,104	1,224
Cash and cash equivalents at end of the period	<u>120</u>	<u>1,104</u>
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	<u>120</u>	<u>1,104</u>

Notes:

The condensed consolidated statements of cash flow for the quarter ended 31 December 2015 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 period ended 31 March 2015. 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 2015.

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 period ended 31 March 2015.

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 December 2015.

A7 Dividend paid

There were no dividends paid by the Company during the financial quarter ended 31 December 2015.

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 reclassified from Portfolio Investment to Incubation segment.

Cumulative Quarter Ended 31 December 2015

	Incubation RM'000	Portfolio Investment RM'000	Green Technology products RM'000	Elimination RM'000	Group RM'000
Revenue					
External sales	15	6,469	91		6,575
Intersegment revenue	-	-	-	-	-
	<u>15</u>	<u>6,469</u>	<u>91</u>	<u>-</u>	<u>6,575</u>
Results from operating activities	(8,848)	(908)	(958)		(10,714)
Finance costs					-
Share of profit of associates					287
Net unallocated expenses					(7,985)
(Loss)/Profit before taxation					<u>(18,412)</u>
Tax expense					-
(Loss)/Profit for the period					<u>(18,412)</u>
Segment assets	35,519	9,982	6,731		52,232
Unallocated assets					-
Total assets					<u>52,232</u>
Segment liabilities	218	20	96		334
Unallocated liabilities					-
Total liabilities					<u>334</u>

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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 2015, the Group has no material capital commitments.

A14 Related party transactions

During the financial quarter ended 31 December 2015, 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 2015 RM'000	Current year-to-date for the period ended 31 December 2015 RM'000
Bad debts recovered	-	-
Interest income	1	15
Interest expense	-	(2)
Depreciation and amortisation	(409)	(1,219)
Gain or (loss) of disposal of quoted or unquoted investments or properties (non revenue)	-	282
Impairment of assets/investments	840	(280)
Loss on change of fairvalue	6,964	(9,784)
Unrealised Foreign exchange gain/(loss)	(73)	203
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

In the current quarter ended 31 December 2015, ABT Group registered a total comprehensive loss of approximately RM 18.413 million on the back of a revenue of RM 6.575 million. There is no preceding year corresponding period comparison due to the change in the financial year end from 31 January to 31 March. The Group's revenue as at 31 December 2015 was as a result of active investments in marketable securities in Malaysia, Australia and the UK. The Group's incubation division continued to maintain its strategic investments in marketable securities of synergistic companies, which are considered medium to long term investments, and the division is actively reviewing incubation activities with these companies. For the quarter, the profit recorded is principally due to our marking to market of the above said strategic investments.

For the greentech division, the Palm Lumber project is currently undergoing a transition phase as management is considering the relocation of the plant and machinery to an alternative site for better logistics options and improved management control. We anticipate that this proposed relocation will be completed by the middle of this year and full operations to commence thereafter. In the interim, small operational costs were incurred for the quarter under review.

Due to the volatility of high technologies and start-ups, gestation periods are expected to be long drawn and as such tangible earnings will take time.

B2 Variation of results against immediate preceding quarter

	Current quarter 31 December 2015 RM'000	Preceding quarter 30 September 2015 RM'000
Revenue	91	10
Profit/(Loss) before taxation	7,076	(15,219)

The revenue in the current quarter was generated from Green Technology products whilst the revenue in the preceding quarter was fixed deposits interest received. Profit registered in the current quarter was due to marking to market of investment securities. Loss for the preceding quarter was due to the marking to market of investment securities and share-based compensation pursuant to offer of options under Share Issuance Scheme ("SIS") to eligible employees

B3 Prospects

Given the present bearish economic climate, the Group expects the remainder of the financial year to be very challenging. Nevertheless, management expects some tangible sales results from the Effective Microorganism (EM) project which should provide a small but stable revenue stream for EM incubatee. Performance from its investments in the synergistic companies is expected to face market pressure however, 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 2015.

B9 Earnings per share

	Current year quarter		Current year to date	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Profit attributable to owners of the Company (RM'000)	7,156	N/A	(18,160)	N/A
Weighted average number of shares in issue ('000)	866,712	N/A	866,712	N/A
Effect of issuance of ordinary shares pursuant to right issue ('000)	-	N/A	-	N/A
Effective of issuance of ordinary shares pursuant to conversion of warrants	-	N/A	-	N/A
Adjusted weighted average number of shares in issue ('000)	<u>866,712</u>	<u>N/A</u>	<u>866,712</u>	<u>N/A</u>
Gross Interest Income	1	N/A	15	N/A
Gross Interest Expense	-	N/A	(2)	N/A
Basic profit/(loss) per share (sen)	0.83	N/A	(2.10)	N/A

There is no dilution in the earnings per share of the Company as the average market values of the warrants as at 31 December 2015 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.

- 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.
- On 8 July 2015, the Company announced the proposal to undertake the private placement of new ordinary shares of RM0.10 each in ABT, representing not more than ten percent (10%) of the issued and paid-up share capital of ABT (excluding treasury shares, if any) ("Proposed Private Placement") in response to the need of the Company to comply with the Bumiputera equity requirement, i.e the requirement for the Company to have at least twelve point five percent (12.5%) of their enlarged issued and paid-up share capital held by Bumiputera investors approved by the Ministry of International Trade and Industry within one (1) year after achieving the profit track record required for listing on the Main Market of Bursa Securities or five (5) years from its listing on the MESDAQ Market of Bursa Securities, whichever is earlier, by 31 March 2016 as extended by the Securities Commission. On 16 Feb 2016, The Ministry of International Trade and Industry recognised the Bumi shareholders in the Company holding of 169,478,789 ordinary share of RM0.10 each representing approximately 18.97% of ABT's issued and paid-up share capital as at 27 March 2015 as Bumi investors. As such, the Company has complied with the Bumiputera Equity Requirement and on 19 Feb 2016, the Company announced that it will be proceeding ahead the Proposed Private Placement only placed to other independent third party investors. Approval is pending from Bursa.
- On 5 August 2015, the Company has offered options in total of 171,000,000 to eligible employees under its Share Issuance Scheme at an exercise price of options RM0.10 each. Options have been fully taken up by the respective eligible employees on the same date.
- On 28 October 2015, the Company proposed to undertake the reduction of the issued and paid-up capital of the Company pursuant to Section 64(1) of the Companies Act, 1965 involving the cancellation of RM0.05 of the existing par value of the ordinary share of RM0.10 each to RM0.05 each. The proposal was approved by the shareholders on 15 February 2016, currently pending for Court application.
- On 17 November 2015, the Company proposed ratification for the utilisation of proceeds from the rights issue which was completed on 28 April 2014. The proposal was approved by shareholders on 15 February 2016.

B11 Realised and Unrealised Profit/(Loss)

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

	As at	
	31 December 2015 RM'000	31 March 2015 RM'000
<u>Unappropriated profits of Company and subsidiaries</u>		
Realised	(46,228)	(27,520)
Unrealised	(356)	(356)
	<u>(46,583)</u>	<u>(27,876)</u>
<u>Share of retained profits of associates</u>		
Realised	287	-
Unrealised	-	-
	<u>(46,296)</u>	<u>(27,876)</u>
Less : Consolidated adjustments	5,458	5,197
Total Group Retained Profits/(Loss)	<u>(40,839)</u>	<u>(22,679)</u>

B12 Status of Utilisation of Proceeds

Status of utilisation of proceeds as at 31 December 2015.

	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 38,200,000 Shares</u>					
Technology incubation fund	3,280	(3,280)	-	-	Within 3 years
Working capital	500	(500)	-	-	Within 1 year
Estimated expenses	40	(40)	-	-	Within 1 month
	<u>3,820</u>	<u>(3,820)</u>	<u>-</u>	<u>-</u>	
<u>Rights Issue of 420,200,000 Shares</u>					
Technology incubation fund	41,020	(41,020)	0	-	Within 3 years
Working capital	500	(513)	(13)	13	Within 3 years
Estimated expenses	500	(487)	13	(13)	Within 3 months
	<u>42,020</u>	<u>(42,020)</u>	<u>0</u>	<u>-</u>	
TOTAL	<u>45,840</u>	<u>(45,840)</u>	<u>0</u>	<u>-</u>	

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