ASIABIO

GROUP

ASIA BIOENERGY TECHNOLOGIES BERHAD
Company No. (774628-U)

ANNUAL REPORT 2017

"Growth is never by mere chance;
it is the result of strategic decisions working together."

10 years
ANNIVERSARY

contents

CORPORATE SECTION

FINANCIAL SECTION

GROUP STRUCTURE

ASIA BIOENERGY TECHNOLOGIES BERHAD

ASIABIO CAPITAL SDN. BHD.	100%
ECO-SPONGE SDN. BHD.	100%
HEXA BONANZA SDN. BHD.	50.01%
ASIABIO PETROLEUM SDN. BHD.	100%
ARTISAN SEMESTA SDN. BHD.	100%
GOODWILL SELECTED SDN. BHD.	100%
PERFECT POWER GROUP LIMITED	100%

ASIABIO PETROLEUM SDN. BHD.:

MATRIX CONCORD SDN. BHD.	100%

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI
Independent Non-Executive Chairman

CHU CHEE PENG
Senior Independent Non-Executive Director

LEUNG KOK KEONG
Executive Director

ONG TEE KEIN
Independent Non-Executive Director

YM TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN
Non-Independent Non-Executive Director

TAN SIK EEK
Executive Director

AUDIT COMMITTEE

Ong Tee Kein
Chairman

YM Tengku Ahmad Badli Shah Bin Raja Hussin

Chu Chee Peng

REMUNERATION COMMITTEE

Chu Chee Peng
Chairman

Ong Tee Kein

YM Tengku Ahmad Badli Shah Bin Raja Hussin

NOMINATION COMMITTEE

Chu Chee Peng
Chairman

Ong Tee Kein

YM Tengku Ahmad Badli Shah Bin Raja Hussin

REGISTERED OFFICE

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel No. : +603-2382 4288
Fax No. : +603-2382 4170

PRINCIPAL PLACE OF BUSINESS

Factory
68, Jalan Waja 2
Taman Industri Waja
09000 Kulim, Kedah
Tel No. : +604-402 6350
Fax No. : +604-489 3833

Corporate Office
Level 3A, No. 1-3, Street Wing,
Sunsuria Avenue
Persiaran Mahogani
Kota Damansara, PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan
Tel No. : +603 -6142 3088/4688
Fax No. : +603 -6142 4588
Email: mail@asiabio.com.my

COMPANY SECRETARIES

Leung Kok Keong (MIA 8109)
Lim Lee Kuan (MAICSA 7017753)
Ng Sally (MAICSA 7060343)

AUDITORS

Siew Boon Yeong & Associates
(AF: 0660)
9-C, Jalan Medan Tuanku
Medan Tuanku
50300 Kuala Lumpur
Tel No. : +603-2693 8837
Fax No. : +603-2693 8836

SHARE REGISTRAR

Tricor Investor &
Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : +603-2783 9299
Fax No. : +603-2783 9222

PRINCIPAL BANKER

Malayan Banking Berhad

LISTING STATUS

ACE Market of Bursa Malaysia
Securities Berhad

WEBSITE

http://www.asiabio.com.my

GROUP FINANCIAL HIGHLIGHTS

	Year Ended 31 March 2017 RM	Year Ended 31 March 2016 RM	Period Ended 31 March 2015 RM	Year Ended 31 January 2014 RM	Year Ended 31 January 2013 RM
OPERATING RESULTS					
Revenue	**5,354,052**	9,518,186	53,232,689	3,700,349	2,312,998
Profit/(Loss) before taxation	**2,122,222**	(28,828,097)	(3,961,142)	(708,808)	(4,316,149)
Income tax expense	**-**	-	-	(686)	(86,439)
Profit/(Loss) after taxation	**2,122,222**	(28,828,097)	(3,961,142)	(709,494)	(4,402,588)
Non-controlling interests	**(24,425)**	(1,396,296)	(186,468)	(64,537)	(8,591)
Profit/(Loss) attributable to owners	**2,146,647**	(27,431,801)	(3,774,674)	(644,957)	(4,393,997)
KEY BALANCE SHEET DATA					
Property, plant and equipment	**6,832,641**	7,869,843	11,345,806	4,399,657	1,285,940
Investments	**-**	-	4,963,223	11,365,974	17,279,165
Marketable securities	**43,740,371**	25,082,345	-	-	-
Goodwill	**-**	-	1,587,789	2,352,570	2,352,570
Current assets	**6,239,805**	6,315,390	46,629,448	7,926,788	2,139,570
Total Assets	**56,812,817**	39,267,578	64,526,266	26,044,989	23,057,245
Share capital	**56,005,130**	86,671,160	86,671,160	42,020,000	38,200,000
Reserves	**(2,996,953)**	(46,684,980)	(22,323,379)	(18,548,705)	(17,903,746)
Total equity attributable to owners	**53,008,177**	39,986,180	64,347,781	23,471,295	20,296,254
Non-controlling interest	**(1,561,703)**	(1,537,278)	(140,982)	45,486	110,023
Total equity	**51,446,474**	38,448,902	64,206,799	23,516,781	20,406,277
Short term borrowing	**3,981,037**	-	-	-	-
Other current liabilities	**1,385,306**	818,676	319,467	2,528,208	2,650,968
Total equity and liabilities	**56,812,817**	39,267,578	64,526,266	26,044,989	23,057,245
FINANCIAL RATIOS					
Net profit margin (%)	**39.64**	(302.87)	(7.44)	(19.17)	(190.34)
Basic earnings/(loss) per share (sen)	**0.22**	(3.17)	(0.50)	(0.16)	(1.15)
Net assets per share (sen)	**4.76**	4.61	7.42	5.59	5.31
Return on equity (%)	**4.05**	(68.60)	(5.87)	(2.75)	(21.65)
Share price as at year/period ended (RM)	**0.055**	0.045	0.100	0.115	0.070

CHAIRMAN'S LETTER TO STAKEHOLDERS

Dear Stakeholders,

On behalf of the Board of Directors of Asia Bioenergy Technologies Berhad (AsiaBio), I present herewith the Annual Report and the Audited Financial Statements of the Group for the financial year ended (FYE) 31st March 2017.

BUSINESS REVIEW

Having fully deployed the group's investment and incubation funds, AsiaBio's emphasis during the financial year ended 31st March 2017 was to embark on an operational revitalization program to nurture its incubates, namely, NetX Holdings Berhad ("Netx"), Focus Dynamics Group Berhad ("Focus"), VSolar Group Berhad ("VSolar") and AT Systematization Berhad ("AT"). As at report date, AsiaBio currently have Board representation in the above said incubatees and we are pleased to report that we are confident and optimistic that our enhancement efforts in these incubatees are starting to show improvements in their operations.

During the financial year, AsiaBio also commenced active development in its Oil & Gas incubatee, Asiabio Petroleum Sdn Bhd ("ABP"), which culminated with the endorsement of a collaboration agreement and appointment of preferred contractor with Coral Alliance Sdn Bhd and a Memorandum of Intent between ABP, ACME Chemicals (Malaysia) Sdn Bhd and Sejahtera Bumisama Sdn Bhd. In the medium to long term we anticipate that ABP will contribute positively to the group and we are cautiously optimistic that the Oil & Gas sector will continue to be resilient which should auger well for ABP.

For the financial year ended 31st March 2017, the Group recorded a profit of **RM2.122 million** compared to the previous corresponding financial period loss of **RM28.828 million**.

OPERATIONS AND INVESTMENT REVIEW

For the financial year ended 31st March 2017, the Group recorded a profit of RM2.122 million compared to the previous corresponding financial year loss of RM28.828 million. This significant turnaround is principally due to the improvement in value of our quoted investments which indirectly reflected management's conscious efforts to turn around the fortunes of its incubatees.

For the financial year under review, there is a generated gain of RM4.008 million from the marking to market for strategic investments made by the group. During the financial year, VSolar successfully completed the planting of cash crops at its Solar Energy Generation sites and as a result anticipates to obtain improved rates for its energy generation operations.

On the Food & Beverage operations at Focus, revenues continue to improve with the successful delivery on its upmarket speakeasy lounge, Chaze and its Western themed restaurant Lavo. Month-on-month revenue remains on the rise with a focus toward the opening of its new coffee saloon and gin bar, Maze in the first half of 2017.

For the financial year ended 31st March 2017, NetX has been concentrating on strengthening its electronic payment services operations. The revenue from electronic payment services segment increased substantially due to intensive marketing initiatives in the electronic payment services segment. NetX increased its merchants to around 599 merchants, equivalent to around 692 terminals as at 31st March 2017. NetX is also targeting the sales of payments solutions both locally and overseas, culminating with the recent announcements of its technology collaboration with Hello Digital in Cambodia, XOX Berhad and M3 Tech Berhad in Malaysia.

The Group is confident that its current investment strategy of preserving value via its medium term holdings in quoted strategic investments will mitigate further downside risk for its incubation funds and as proven, values will recover once our Malaysian economic environment and global growth sentiments gains momentum.

CHAIRMAN'S LETTER TO STAKEHOLDERS
(Cont'd)

INDUSTRY OVERVIEW AND MEDIUM TERM STRATEGY

The global economy is seen to be on the recovery path especially with the unexpected turn for the good for Malaysia's major trading partners namely the United States, China and Japan. We are hopeful that Malaysia's near term economic outlook remains fairly favorable, where most sectors are expected to benefit from the stabilization of the Ringgit against the US Dollar and stabilization of crude oil prices above US $50 per barrel. The Group's performance is envisioned to improve in the medium term. This improvement is further underscored by the Malaysian Institute of Economic Research's projected real GDP for 2017 that is to grow at 4.5%, driven by stronger domestic demand.

The Group maintains a positive outlook for the industries in which we are involved in. As our core business is in the investment of growth and technology companies, we will, within our risk appetite, continue to identify new investment initiatives to further develop our investment portfolio and maintain our investment strategy to invest in quoted securities that have the prospects of generating medium to long term investment returns.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I wish to extend my sincere thanks and appreciation to our shareholders for your continued belief and support in our business strategies, our loyal business partners, bankers and regulatory authorities to whom we remain grateful for your continued confidence in our Group.

To my fellow colleagues on the Board, I wish to extend my deepest appreciation for your diligence. And to the management and staff of the Group I extend my gratitude for your untiring hard work and dedication through the year.

DATO' SERI ABDUL AZIM BIN DATO' MOHD ZABIDI,
Chairman

DIRECTORS' PROFILE

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Malaysian, 58 years old
Independent Non-Executive Chairman
Male

Dato' Seri Abdul Azim Bin Mohd Zabidi ("Dato' Seri Azim") is an Independent Non-Executive Director/Chairman of Asia Bioenergy Technologies Berhad ("ABT") appointed on 2 December 2015.

Dato' Seri Azim is a Fellow of the Chartered Institute of Secretaries and Administrators, United Kingdom and holds a Master of Arts in Business Law from London Metropolitan University, United Kingdom. He was Chairman of Bank Simpanan Nasional ("BSN"), Malaysia's National Savings Bank for the period from July 1999 until June 2009.

Growing from his work with BSN, Dato' Seri Azim was also active in the work undertaken by the Brussels based World Savings Banks Institute ("WSBI"). In year 2000, he was appointed as President (Asia Pacific) for WSBI and in year 2003, he was elevated to its Board of Directors. In addition, he was elected as Vice President and Treasurer of WSBI from September 2006 until April 2009.

A long association with the unit trusts/mutual funds and fund management industry culminated in his election as President of the Federation of Malaysian Unit Trust Managers, a post held from year 1998 to year 2003. During this period, he was appointed as Member of the Steering Committee of the International Investment Funds Association ("IIFA"), Montreal, Canada, a post held by him until 2008. From year 2007 to year 2008, he was elected as a member of the Board of Directors and Chairman of the Audit Committee of IIFA.

Dato' Seri Azim has served in numerous capacities at all levels of the United Malays National Organisation ("UMNO"), the senior party in the coalition that has ruled Malaysia since Independence in 1957. In year 2004, he was appointed as the party's Treasurer by the former Prime Minister and UMNO President, Tun Abdullah Ahmad Badawi. He was also designated Treasurer General of Barisan Nasional, or National Front, Malaysia's multi-ethnic ruling coalition. Earlier, he was elected to UMNO's Supreme Council in year 2000.

He was also a member of the National Economic Consultative Council II, where he served on the Islamic Banking and Finance Committee. He was also selected by the Securities Commission to be a member of its Capital Market Advisory Council. He was invited by Bursa Malaysia Berhad to be a member of its Index Committee and Deputy Chairman of its Board of Advisors for the Malaysian Central Depository.

Dato' Seri Azim is also a Director of XOX Berhad and Group, Timberwell Berhad, Anzo Holdings Berhad, Plastrade Technology Berhad and several private limited companies.

Dato' Seri Azim does not hold any shares in ABT. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years and has no conflict of interest with ABT.

DIRECTORS' PROFILE
(Cont'd)

ONG TEE KEIN
Malaysian, 60 years old
Independent Non-Executive Director
Male

Ong Tee Kein ("Mr Ong") is an Independent Non-Executive Director of ABT appointed on 26 February 2016. Mr Ong holds a MBA degree from the University of Miami and is an Associate of the Institute of Chartered Secretaries & Administrators (ICSA). He is an Associate of the Institute of Chartered Accountants in England and Wales (ICAEW) and a Fellow of the Chartered Institute of Management Accountants, United Kingdom (CIMA) as well as a member of the Malaysian Institute of Accountants (MIA).

Mr Ong has several years of experience in industry and consultancy practice. After qualifying as an accountant in the United Kingdom, he joined a management consultancy practice specializing in providing advisory services to governments and international funding agencies. From 1994 until 2011, he was a principal consultant in the corporate advisory division of an international accounting firm.

Besides ABT, Mr Ong also holds directorships in Sanichi Technology Berhad, DGB Asia Berhad, and Mlabs Systems Berhad.

Mr Ong does not hold any shares in ABT. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee respectively. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with ABT.

LEUNG KOK KEONG
Malaysian, 50 years old
Non-Independent Executive Director
Male

Leung Kok Keong ("Edward") is an Executive Director of ABT appointed on 24 November 2014. Edward obtained his Bachelor's Degree in Accounting from Curtin University of Technology, Australia in December 1989 and is a Certified Practising Accountant and Chartered Accountant, CPA Australia and also a member of the Malaysian Institute of Accountants.

Trained as an investment banker, he has significant experience in corporate finance and business development as well as management. He was the founding member and former Executive Director of Newfields Advisors Sdn. Bhd., a boutique financial and corporate advisory firm from August 2001 to August 2006. He was the Chief Executive Officer, Platinum Energy Group from September 2006 to February 2008. Between September 2013 to February 2015, he briefly served as the Chief Financial Officer of Iskandar Waterfront Holdings Sdn. Bhd.

His wide and vast experience spanned from his earlier years as an Investment & Corporate Planning Manager, Hong Leong Credit Berhad from 1994 to 2001 and was with Coopers & Lybrand Kuala Lumpur since 1990 to 1994.

He has three hundred thirty three thousand three hundred and fifty (333,350) ordinary shares in ABT. He is also a Director of Vsolar Group Berhad and Focus Dynamics Group Berhad. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with ABT.

DIRECTORS' PROFILE
(Cont'd)

YM TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN
Malaysian, 48 years old
Non-Independent Non-Executive Director
Male

YM Tengku Ahmad Badli Shah Bin Raja Hussin ("YM Tengku Badli") is a Non-Independent Non-Executive Director of ABT appointed on 7 October 2014. He graduated with a Bachelor of Law degree (LLB Hons) from University of East Anglia, United Kingdom.

YM Tengku Badli has extensive years of exposure in the financial industry sector. He started his career as a Management Trainee in Hong Kong and Shanghai Banking Corporation, Hong Kong ("HSBC") in 1994 and continued his stint with HSBC Group in various senior positions covering both corporate and commercial as well as retail & consumer banking division. He later pursued his career with Kuwait Finance House (Malaysia) Berhad in February 2008 as Head of Branch Management prior to joining Pelaburan MARA Berhad in September 2013. He is currently the Group Chief Operating Officer of Pelaburan MARA Berhad.

He does not hold any shares in ABT but he represents Pelaburan MARA Berhad that holds 27,999,999 direct shares in ABT. He is also a Director of NetX Holdings Berhad. YM Tengku Badli is a member of the Audit Committee, Remuneration Committee and Nomination Committee of ABT. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with ABT.

CHU CHEE PENG
Malaysian, 46 years old
Senior Independent Non-Executive Director
Male

Chu Chee Peng ("Mr Chu") is appointed by ABT as an Independent Non-Executive Director since 21 August 2015. He graduated from the Coventry University in Business Administration and Post Graduate Diploma from Chartered Institute of Marketing, United Kingdom.

Mr Chu was formerly the Vice President of Agensi Inovasi Malaysia (AIM), a statutory body set up by the Malaysian government, since 2012. Prior to joining AIM, he was heading the Properties Division at a public listed company in Malaysia.

He has extensive experiences in the investment sector, covering activities such as identification of new business opportunities, development and execution of investment that will significantly contribute to the company and Nation's income, development of new funding structure/ ecosystem and creation of high value jobs. He is an entrepreneur with an inclination towards innovation and high technology commercial industries.

He is the Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee of ABT. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offence within the past 5 years other than traffic offences and has no conflict of interest with ABT. He does not hold any shares in ABT.

Mr. Chu also holds the position as Director of NetX Holdings Berhad.

DIRECTORS' PROFILE
(Cont'd)

TAN SIK EEK
Malaysian, 41 Years Old
Non-Independent Executive Director
Male

Tan Sik Eek ("Steve") is an Executive Director of ABT appointed on 20 June 2013. Steve is the appointed representative of Adamas Finance Asia Limited in ABT. Steve majored in Economics and Political Science from University of Sydney, Australia.

Steve brings with him more than a decade of experience ranging from corporate finance advisory to private equity investments. He was previously a Partner at House of Qin Ltd, a Beijing based private equity firm focused on investing in companies seeking growth funding and pre-IPO capital. Prior to that, Steve was the South East Asia Partner of Value Creation Strategies Sdn. Bhd., a Kuala Lumpur based advisory firm specialising in securing funding from a series of established North America global hedge funds, for companies listed on the regional capital markets.

Steve previously held positions in companies like Devonshire Capital LLC, a boutique investment bank headquartered in Hong Kong as well as in the corporate finance division of RHB Investment Bank.

He holds three hundred thirty three thousand three hundred and thirty three (333,333) shares in ABT. He is also a Director of NetX Holdings Berhad, AT Systematization Berhad and XOX Berhad. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with ABT.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Business Overview

Asia Bioenergy Technologies Berhad (the "Group") is an investment holding company and engaged primarily in technology incubation. As a technology incubator, the Group provides management and strategic advisory services, research related activities, business networks and funding for its incubatees. Apart from incubation, the Group also takes strategic stakes in listed companies that are considered beneficial to the Group's portfolio of investments through collaboration and cross-selling opportunities. Its investment focus is presently centered on Renewable Energy, Engineering, Food & Beverage, Financial and Information Technology, and Oil & Gas through investments via strategic stakes in VSolar Group Berhad ("VSolar"), Focus Dynamics Group Berhad ("FOCUS"), NetX Holdings Berhad ("NetX"), and AT Systematization Berhad ("ATS").

Efforts are being placed to initiate new business ideas or projects that draw strengths and expertise from the listed entities such as setting up of infrastructures for the planting of hydroponic crops that will benefit from the use and sale of microbes that are produced by one of our incubatee companies and the cross selling of NetX's mobile payment solutions to promote and market the F&B operations of FOCUS that also enables real-time tracking of the point of sales performance as well as data accumulation to provide mass marketing channels to the customers of our F&B outlets.

The Group had also in late 2016 extended its portfolio investment into the Oil & Gas industry by forming a wholly-owned subsidiary company name AsiaBio Petroleum Sdn Bhd ("ABP"). On 1 November 2016, ABP had entered into a collaboration agreement with Coral Alliance Sdn Bhd to offer Topside Structural Maintenance services among others.

Our key strength lies within our people and our culture which are made up of **a team of multi-disciplined professionals spanning the fields of engineering**, investment banking and accounting and finance

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Financial Review

In 2017, the Group reported a profit before taxation of RM2.12 million as compared to a loss before taxation of RM28.83 million for the preceding financial year.

Financial Results	2017 RM'000	2016 RM'000	Variance RM'000
Revenue	5,354	9,518	(4,164)
Cost of Sales	(5,788)	(10,766)	4,978
Other Operating Income	4,246	40	4,206
Operating Expenses	(1,690)	(27,620)	25,930
Profit/(Loss) Before Taxation	2,122	(28,828)	30,950

The Group's revenue is mainly derived from three business segments, which are Portfolio Investment, Biotechnology Product and Oil & Gas services. The Oil & Gas division is a new business segment that provides engineering and maintenance services for the Oil & Gas sector. The three business segments registered revenue of RM4.88 million (91.02%), RM0.04 million (0.65%) and RM0.43 million (8.28%) respectively. Total revenue was declined by 44% to RM5.35 million in 2017 as compared to RM9.52 million in 2016 mainly due to lower trading volume from the portfolio investment division.

Despite the challenging market environment due to global economic slowdown, volatile commodity prices and coupled with the weakening currency, the Group registered a fair value gain on marketable securities of RM4.03 million in 2017 as compared to fair value loss of RM12.96 million in 2016.

The Group's operating expenses declined by 94% to RM1.69 million in 2017 as compared to RM27.62 million in 2016 mainly due to an improvement in values of our medium to long term investments. As a result of the improvement the Group registered a profit before taxation of RM2.12 million in 2017 as compared to loss before taxation of RM28.83 million in 2016.

During the financial year, the Group has made investments via the purchase of quoted securities amounting to RM17.28 million funded from a mixture of equity financing, borrowing and sale of investments. Moving forward, the Group will continue to maintain or expand its strategic investments in marketable securities of synergistic companies, which are considered medium to long term investments and over time is expected to yield better results.

Operational Review

This financial year has been a tough year for the Group. The local economy was greatly affected by macro-economic developments which led to slower economic growth, currency uncertainties, and increasing commodity prices. According to Bursa Malaysia Annual report, the FTSE Bursa Malaysia KLCI (FBMKLCI) ended the year at 1,641.73 points from 1,692.51 points at the close of 2015.

The Group registered a profit before taxation of approximately RM2.12 million this year as compared to the previous year loss before taxation of RM28.83 million, with an improvement of approximately 107% despite the challenging business and economic environment. The improvement was mainly due to the positive performance of market price of the Group's investment in quoted securities in Malaysia.

The Group, within its risk appetite, has increased its investment in FOCUS, NetX and ATS this year through the subscription of right issues and market purchases. These investment activities are in line with our overall investment strategy to actively invest in quoted securities that have the prospects of generating medium to long term investment

Operational Review *(Cont'd)*

returns for its technology incubator fund. The Group has continuously strived to improve its business strategies to overcome unfavorable market conditions which could affect its portfolio. We will stand to benefit considerably when the securities market and economic environment improve.

Anticipated Risk and Mitigating Factors

Our portfolio of investment presently consists mainly of quoted securities. As such, the Group is greatly exposed to Market Risk due to the price fluctuations of the securities the Group invested in. There are various factors that could cause price fluctuations, for example, world economic conditions, general market perception, or rumors related to individual companies. The Group is also exposed to Liquidity Risk due to its major stake holding in its incubatees. With such major shareholdings in all of our investments, it might be difficult to liquidate our investments at minimum losses when the decision to dispose of an investment is made.

Despite the current elevated political and economic uncertainties, our investment division remains focused and will ensure that all investment strategies for the technology incubation fund are well within the Investment Policy Mandate parameters of the Group to mitigate the aforementioned risks. We have been consistently monitoring the performance of our portfolio and hold periodic meetings with the management team of our incubatees/investment companies to understand and measure the latest status of the investments.

Future Outlook

Looking forward, the prospect for Malaysia's economic remains favorable with its economy forecasting to grow by 4.3% in 2017. In the near term, domestic liquidity is expected to be the backbone of the local securities market given the country's strong economic fundamentals.

The Group will have a cautious outlook in 2017 for the industries that the Group is involved in. Every deals and investment decisions will be considered carefully in order to minimize risks and maximize returns. In view of a potential improvement in the oil and gas industry, the Group will set aside funds to accommodate ABP's business to seize any presented opportunities.

2017 will be another promising year for the Group. We will continue to seek new investment opportunities to maximize our portfolio returns and remain committed in ensuring a lasting sustainability and profitability for our businesses.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Asia Bioenergy Technologies Berhad (the "Company" or "ABT") recognizes the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Directors consider corporate governance to be synonymous with four key concepts, namely transparency, accountability, integrity as well as corporate performance.

This corporate governance statement ("Statement") sets out how the Company has applied the 8 Principles of the Malaysian Code on Corporate Governance 2012 ("Code") and observed the 26 Recommendations supporting the Principles during the financial year. Where a specific Recommendation of the Code has not been observed during the financial year under review, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

Principle 1 – Establish clear roles and responsibilities

1.1 Establish clear functions reserved for Board and Management

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, the approval of annual budgets, quarterly and annual financial statements for announcement, investment and divestiture, as well as monitoring of the Group's financial and operating performance.

Overall, it is the governance responsibilities of the Board to lead and control the Group. The Board plans the strategic direction, development and control of the Group and has embraced the responsibilities listed in the Code to discharge its stewardship and fiduciary responsibilities. The Executive Directors are responsible for making and implementing operational and corporate decisions while the Non-Executive Directors balance the board accountability by providing their independent views, advice and judgment in safeguarding the interests of the shareholders.

There is a clear division of responsibilities between the Chairman and the Executive Directors to ensure that there is a continuance balance of power and authority. The Chairman position is held by an Independent Non-Executive Director. The Chairman is responsible for the board effectiveness and conduct whilst the Executive Directors have the overall responsibilities over the Group's operating units, organisational effectiveness and implementation of Board policies and decisions.

To assist the Board in fulfilling its duties and responsibilities, the Board has established the Audit Committee, Nomination Committee, Remuneration Committee and Option Committee. Each committee is tasked with specific functions to operate within its terms of reference, which are included in the Charter. The Chairman of the relevant Board Committees report to the Board on key issues deliberated by the Board Committees at their respective committee meetings. The ultimate responsibility for decision making, however, lies with the Board.

The Board has set the management authority limit and retained its authority of approval on significant matters. Such delineation of roles is clearly set out in the Board Charter ("Charter"), which serves as a reference point for Board activities.

The Charter, which is publicly available on the Company's website at www.asiabio.com.my, is also reviewed annually by the Board to ensure its relevance with prevailing requirements, provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company, as well as boardroom activities.

Principle 1 – Establish clear roles and responsibilities *(Cont'd)*

1.2 Establish clear roles and responsibilities in discharging its fiduciary and leadership functions

Reviewing and adopting a strategic plan for the Company

The Board reviewed the strategic plan of the Company tabled by Management at its meeting. The strategic plan would cover the performance targets and long term plans of the Company. It is expected that on an annual basis, Management would table an annual budget for the new financial year. In addition, for any new business incubations, a proper and well researched board paper would be required for tabling at the Board meeting so that the matter could be deliberated and decided without delay.

The Chairman would lead the discussion on the strategic plans for the Company. The Board is satisfied with the strategic plan of the Company as presented by the Chairman. The Board would continue to review the strategic plan to ensure its implementation.

Overseeing the conduct of the Company's business

The Board of Directors' meetings are chaired by the Chairman who is an Independent Non-Executive Director. This is to ensure a balance of power and authority. Day to day management is controlled by the Executive Directors and a management team in managing the Company's business. The Board's role is to oversee the performance of management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board meeting when reviewing the unaudited quarterly results and annual audited financial statements. During such meetings, the Board participated actively in the discussion of the performance of the Company.

The performance of the Executive Directors is reviewed annually by the Remuneration Committee in accordance with its terms of reference. The assessment process is based on the remuneration framework for the Executive Directors.

Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The internal audit function was outsourced to an external service provider and they are currently assisting the Board in establishing an Enterprise Risk Management framework for the Group, formalising, amongst others, the processes to identify, evaluate, control, report and monitor significant business risks faced by the Group. The Board has approved the Enterprise Risk Management Framework for adoption across the Group. The Board, via its Audit Committee reviews the outcome of risk assessment, including the implementation of appropriate internal controls and mitigation measures to address the risks identified.

Further details of the Enterprise Risk Management Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Succession planning

The Board views succession planning as important for business continuity. It is acknowledged that with succession planning, the key job vacancies created due to retirement and resignation would be filled quickly and without any business interruption. To ensure its success, the Board has adopted a succession plan to ensure that there are programme in place to provide for the orderly succession of senior management.

Overseeing the development and implementation of a shareholder communications policy for the Company

The Company's website at www.asiabio.com.my contains an Investor Relations section where the shareholders could communicate with the Board through the designated Investor Relations officer. The Board has also identified and appointed Mr Chu Chee Peng as the Senior Independent Director of the Company to whom the shareholders can communicate with on matters regarding the Company.

STATEMENT ON **CORPORATE GOVERNANCE**
(Cont'd)

Principle 1 – Establish clear roles and responsibilities *(Cont'd)*

1.2 Establish clear roles and responsibilities in discharging its fiduciary and leadership functions *(Cont'd)*

Reviewing the adequacy and the integrity of the management information and internal controls system of the Company

The Board acknowledges the importance of the adequacy and integrity of the information and internal controls system of the Company. Details of the Group's internal control system are set out in the Statement on Risk Management and Internal Control of this Annual Report.

1.3 Formalise ethical standards through code of conduct and ensure its compliance

The Company has put in place a Code of Conduct for the Directors and employees that set the guidelines for their conduct. It is used to ensure issues and matters are properly understood by all Directors and employees during the tenure of their employment. The Code of Conduct has been uploaded onto the Company's website.

Meanwhile, the Company has put in place a Whistle Blowing Policies and Procedures for the employees to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct within the Group and at the same time protecting these employees against being disadvantaged in any way from such communications such as victimization and discrimination. The Group has proper arrangements in place for investigations on all allegations or reports from within or outside the Group with appropriate follow up actions. It is also used to promote and encourage a transparent and open environment for fraud reporting within the Group and the Board has endorsed the Whistle Blowing Policies and Procedures.

1.4 Ensure the Company's strategy promote sustainability

The Board recognises the need for the Company's strategy to include sustainability on the operations. The Board regularly reviews the strategic direction of the Company and the progress of the Company's operation, taking into consideration of the changes in the business and political environment and risk factors such as level of competition.

A sustainability process would help the Company to set goals, measure its performance and manage changes in its business. The effort would continue to be monitored by the Board in helping to shape the Company's strategy and policy and ultimately to improve the overall performance.

The details of the sustainability efforts are set out in the Sustainability and Corporate Social Responsibility section under Other Compliance Information in this Annual Report.

1.5 Procedures to allow Directors access to information and advice

The Company's Charter provides a procedure to access to information and independent advice by the Board and Committees. Management is required to supply the Board and Committees with information in a form, timeframe and quality that enables them to effectively discharge their duties. The Directors are provided with copies of the Board papers prior to each meeting to give the Directors sufficient time to evaluate the proposals and if necessary, to request additional information necessary in discharging their duties effectively. The Board has a formal schedule of matters specifically reserved to it for decision, and has clearly defined delegation of responsibilities to committees of the Board and to Management including appropriate limits of authority. The Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. A Director may seek independent legal, financial or other advice as they consider necessary at the expense of the Company as a full Board or in their individual capacity, in the furtherance of their duties.

Principle 1 – Establish clear roles and responsibilities *(Cont'd)*

1.6 Ensure Board is supported by suitably qualified and competent Company Secretaries

The Company Secretaries of the Company are suitably qualified and competent to support the Board. The Board is regularly updated by the Company Secretaries on the latest regulatory updates. The Board has access to the advice and services of the Company Secretaries who are responsible for ensuring that the established procedures and relevant statutes and regulations are complied with.

The Company Secretary is responsible for ensuring that Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with.

In addition, the Company Secretary ensures minutes are duly entered into the books for all resolutions and proceedings of all meetings of the Board. These minutes of meetings record the decisions taken and the views of individual Board Members.

1.7 Formalise periodically review and make public the Charter

A copy of the Charter has been published in the Company's website. The Charter sets out the composition of the Board, duties and responsibilities on matters relating to strategy and planning, human resource, remuneration, capital management and financial reporting, performance monitoring, risk management, audit and compliance and board processes and policies, Committees, Chairman of the Board, independence of Directors, access to information and independent advice, dealings in securities, orientation and continuing education and Board assessment.

The Board reviews the Charter on an annual basis to be consistent with the relevant regulatory requirements.

Principle 2 – Strengthen composition

2.1 Establish a Nomination Committee comprising exclusively non-executive directors, with majority independent

The composition of the Nomination Committee comprises exclusively Non-Executive Directors with a majority of Independent Directors. The Nomination Committee Meetings were held two (2) times during the financial year under review, to deliberate matters within its terms of reference.

The terms of reference of the Nomination Committee provided that the Nomination Committee shall be appointed by the Board and shall consist of not less than two (2) members of which comprising exclusively non-executive directors, the majority of whom shall be independent directors. Mr Chu Chee Peng, the Chairman of the Nomination Committee, is also the Senior Independent Director of the Company.

The terms of reference of the Nomination Committee also outlined the responsibilities and duties in relation to selection and assessment of new and existing directors.

During the financial year under review, the Nomination Committee had met two (2) times to perform the annual assessment of the Board, Committees and individual directors, to review the terms of reference of the Nomination Committee, and to assess the Directors who are subject to retirement at the Annual General Meeting ("AGM"), before recommending the same for the approval of the Board and prior to tabling the said motion to the shareholders at the AGM.

2.2 Develop, maintain and review criteria for recruitment process and annual assessment of directors

The Nomination Committee is responsible for reviewing the proposed candidate based on the selection criteria expected of a director and makes recommendation to the Board if the proposed candidate is found to be suitable. The decision on new appointment of directors rests with the Board after considering the recommendation of the Nomination Committee.

STATEMENT ON **CORPORATE GOVERNANCE**
(Cont'd)

Principle 2 – Strengthen composition *(Cont'd)*

2.2 Develop, maintain and review criteria for recruitment process and annual assessment of directors *(Cont'd)*

The Board has also entrusted the Nomination Committee with the responsibility for carrying out evaluation of board effectiveness in the areas of composition, roles and responsibilities, and whether the respective Board Committees effectively discharge their functions and duties in accordance with their terms of reference. The assessment of Board members takes into account the ability of each member to give material input at meetings and demonstrate high level of professionalism and integrity in decision making process. The Nomination Committee annually reviews the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

The Board through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the background, experience, knowledge and skills critical to the Group's business and that each Director with his special contributions brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. As part of the learning process for new Directors, the Nomination Committee arranges induction sessions for these Directors to meet with the respective Heads of Departments to understand the business of the Group.

The Nomination Committee conducted an annual assessment of the Board as whole and individually of the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and the effectiveness of the Board of Directors as a whole, the Board Committees and contribution of each individual Director, including Independent Non-Executive Directors. It also conducted an assessment of the Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM") in accordance with the Constitution of the Company.

The Nomination Committee takes part in the recruitment of new Directors upon receiving a nomination for new Directors. The review process would entail the assessment of the candidates' background, experience, knowledge and skills critical to the Group's business. Upon the evaluation of the candidates, the Nomination Committee shall report to the Board of its findings and recommendations. The Board would base on the recommendations of the Nomination Committee to proceed to approve or decline the appointment of the candidates as the new Directors of the Company.

The Board is satisfied with the contribution of each member of the Board through the annual assessment by the Nomination Committee.

For any requisition of nomination by the shareholders, the Nomination Committee would also perform the same review process. However, if the requisition is by way of sections 311 to 313 of the Companies Act, 2016, the Nomination Committee would still carry out its duties if permitted by the requisitionists.

The Board currently consists of six (6) members, of whom two (2) are Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Director, of which none is a female Director. The Board acknowledges the importance of boardroom diversity. The Group strictly adhered to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which including the selection of Board members. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company. However, the Board has yet to implement gender diversity policies and targets, or has any immediate plans to implement such policies and targets as the Board is of the view that gender should not be a basis of evaluation and that candidate should be sought after based on their level of experience and skill set as well as other qualities as stated above.

However, in the event of a vacancy in the Board, the Nomination Committee has been tasked to include the recruitment of female Directors. The Board would endeavour to recruit a female Director and has set itself to meet the Prime Minister's call of having 30% women's representation at boardroom level whenever possible.

Principle 2 – Strengthen composition *(Cont'd)*

2.2 Develop, maintain and review criteria for recruitment process and annual assessment of directors *(Cont'd)*

Following are the details of the attendance of the Board Committees' meetings held in the financial year ended 31 March 2017:-

Directors	Audit Committee ("AC")	Nomination Committee ("NC")	Remuneration Committee ("RC")
Ong Tee Kein	4/4	2/2	2/2
YM Tengku Ahmad Badli Sha Bin Raja Hussin	3/4	1/2	1/2
Chu Chee Peng	4/4	2/2	2/2

2.3 Establish formal and transparent remuneration policies and procedures to attract and retain directors

The composition of the Remuneration Committee comprises a majority of Independent Directors. The Remuneration Committee met two (2) times in the financial year ended 31 March 2017 to deliberate matters within its terms of reference.

The Remuneration Committee is responsible for reviewing the remuneration of Directors and senior management to ensure that they are at sufficiently competitive levels and recommending to the Board the remuneration of the directors and senior management. The Company has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains Directors of the quality needed to manage the business of the Group respectively.

The Remuneration Committee had performed its duty to assess annually the remuneration package of its Executive Directors and Senior Management. Executive Directors are remunerated based on the Group's performance, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and level of responsibilities assumed in committee and the board. In line with the requirements of the new Companies Act, 2016, the Remuneration Committee has also reviewed the letter of engagement of Executive Directors and the Directors' Remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries for the financial period from 1 February 2017 until the next AGM and recommended to the Board for approval.

The Board recommends the Directors' fees payable to the Directors on a yearly basis and the Directors' Remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries to the shareholders for approval at the AGM in line with the provision of its Constitution and the Companies Act, 2016.

The aggregate remuneration of the directors for the financial year ended 31 March 2017 is as follows:

	Group		*Company*	
Categories of Remuneration	**Executive Directors RM**	**Non-Executive Directors RM**	**Executive Directors RM**	**Non-Executive Directors RM**
Director Fees	-	72,012	-	72,012
Salary & other emoluments	279,945	11,222	263,937	11,222
Benefit-in-kind	-	-	-	-
	279,945	83,234	263,937	83,234

STATEMENT ON **CORPORATE GOVERNANCE**
(Cont'd)

Principle 2 – Strengthen composition *(Cont'd)*

2.3 Establish formal and transparent remuneration policies and procedures to attract and retain directors *(Cont'd)*

The number of Directors whose remuneration falls within the respective bands is as follows:

	Group		*Company*	
Range of Remuneration (RM)	**Executive Directors**	**Non-Executive Directors**	**Executive Directors**	**Non-Executive Directors**
Below 50,000	-	4	-	4
50,001 to 100,000	2	-	2	-

The Code recommends detailed disclosure to be made for each director's remuneration. The Board has chosen to disclose the remuneration in bands pursuant to the ACE Market Listing Requirements ("Listing Requirements"), as separate and detailed disclosure of individual directors' remuneration will not add significantly to the understanding and evaluation of the Company's governance.

Principle 3 – Reinforce independence

3.1 Undertake an assessment of its independent directors annually

On an annual basis, the Board through the Nomination Committee assesses the Independent Directors. The Nomination Committee has in place an evaluation process and would report to the Board on its findings. The Board is satisfied with the assessment carried out of the Independent Directors.

3.2 Tenure of independent director should not exceed cumulative term of 9 years. Upon completion of tenure, independent director can continue serving but as non-executive director

The Board noted the recommendation of Code that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Nevertheless, upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the approval of shareholders to continue as an Independent Director or be re-designated as a Non-Independent Director.

The Board does not have any Independent Directors who have served the Board exceeding the cumulative term of nine (9) years.

The Board notes the recommendations of Code and shall address the matter when the need arises.

3.3 Must justify and seek shareholders' approval in retaining independent directors (serving more than 9 years)

This section is not applicable to the Company in view of section 3.2 above.

3.4 Positions of Chairman and Chief Executive Officer to be held by different individuals

As at the financial year ended 31 March 2017, the Group has not appointed a Group Chief Executive. Nonetheless, the roles of the Chairman, Dato' Seri Abdul Azim Bin Mohd Zabidi, Independent Non-Executive Director, is different from the Executive Directors.

The Chairman has separate and distinct responsibilities from the Executive Directors. The Chairman plays a pivotal role in ensuring that the Directors are effectively apprised on the business and operations of the Group through regular meetings and to ensure that decisions are arrived after taking into consideration the interests of all stakeholders. The Executive Directors are responsible for the day-to-day management of the Group's businesses, which includes implementing the policies and decisions of the Board. The Executive Directors reports to the Chairman with respect to matters concerning the Board members and is obliged to report and discuss at board meetings all material matters affecting the Group.

Principle 3 – Reinforce independence *(Cont'd)*

3.4 Positions of Chairman and Chief Executive Officer to be held by different individuals *(Cont'd)*

The separation of powers, combined with the presence of the Independent Directors, ensures a balance of power and authority and provides a safeguard against the exercise of unfettered power in decision-making.

3.5 Board must comprise a majority of independent directors if Chairman is not an independent director

This section is not applicable to the Company in view of 3.4 above.

Principle 4 – Foster commitment

4.1 Set expectations on time commitment for its members and protocols for accepting new directorships

The Board on an annual basis would agree on the meeting dates for the whole year so that each member of the Board is able to plan his schedule accordingly. This helps to ensure that the Board is committed to meet when the time arises.

The Board has also set a guideline on the acceptance of new directorships by the members of the Board. Any Director intending to take any new directorships should notify the Chairman of the Company first prior to accepting the new directorships and also to confirm his commitment that the new directorships would not impair his time commitment with the Company.

There were four (4) meetings held during the financial year under review. The attendance record of the Board for the financial year ended 31 March 2017 is set out below:-

Directors	Designations	Attendance	%
Dato' Seri Abdul Azim Bin Mohd Zabidi	*Independent Non-Executive Director/Chairman*	4/4	100%
YM Tengku Ahmad Badli Shah Bin Raja Hussin	*Non-Independent Non-Executive Director*	3/4	75%
Leung Kok Keong	*Executive Director*	4/4	100%
Chu Chee Peng	*Independent Non-Executive Director*	4/4	100%
Tan Sik Eek	*Executive Director*	4/4	100%
Ong Tee Kein	*Independent Non-Executive Director*	4/4	100%

Based on the above, all the Directors of the Company have attended more than 50% of the attendance required by the Listing Requirements.

4.2 Ensure members have access to appropriate continuing education programme

All Directors have completed the Mandatory Accredited Programme prescribed by the Listing Requirements, and were constantly given in-house briefings by the Company Secretary on the various amendments to the Listing Requirements and the latest regulatory updates.

The Board determines the training needs of the Directors on a continuous basis and ensures that its members have access to appropriate continuing education programme. During the financial year under review, the Directors of the Company have attended relevant conferences, trade fairs, seminars and briefings in areas of corporate governance, finance or industry technologies, some of which were conducted in-house, by the Regulatory Authorities or members of professional bodies, in order to broaden their perspectives and to keep abreast with developments in the market place to better enable them to fulfill their responsibilities.

STATEMENT ON **CORPORATE GOVERNANCE**
(Cont'd)

Principle 4 – Foster commitment *(Cont'd)*

4.2 Ensure members have access to appropriate continuing education programme *(Cont'd)*

In addition to the periodical briefings, the Directors have attended the following seminars during the financial year:

No.	Name of Director	Course Attended
1.	Dato' Seri Abdul Azim Bin Mohd Zabidi	• Corporate Governance Disclosure: "What Makes Good, Bad and Ugly Corporate Governance Reporting" • Business Forum on Promotion of Trade, Investment, Tourism and Foreign Employment between Sri Lanka and Malaysia • Sejauh Mana Anda Memahami Hudud • The Revitalisation of Lasallian Schools – The Journey Forward • Global Business Insights Series: Embracing Paradoxes by Professor Salvatore Cantale
2.	YM Tengku Ahmad Badli Shah Bin Raja Hussin	• Raising The Bar In Board's Performance and Effectiveness
3.	Leung Kok Keong	• Get Online with Kim Eng Trade Platform • 7th SBY Tax & Corporate Review • 2017 Budget And Its Impact on Capital Market
4.	Chu Chee Peng	• The Inside Story of the Annual Report – "What Directors should know"
5.	Tan Sik Eek	• Get Online with Kim Eng Trade Platform • Private Equity Forum 2016 • Half-Day Entrepreneurship Clinic: (1) Impact of New Companies Act 2016 On You (2) Recent Development on Tax & GST Updates
6.	Ong Tee Kein	• Related Party Transaction, Regularising GN3 Company, Inadequate level of Operations and Disclosures on Material Information • An overview on the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad • Meetings – Valid or Invalid

Principle 5 – Uphold integrity in financial reporting

5.1 Ensure financial statements comply with applicable financial reporting standards

The Board through the Audit Committee endeavors to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects to shareholders, primarily through the annual reports, quarterly announcements of the Group's results and other price-sensitive public reports. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and the accuracy, consistency and appropriateness of the use and application of accounting policies and standards, as well as the reasonableness and prudence in making estimates, statements and explanations.

The Company maintains a formal and transparent and professional relationship with the auditors. On a yearly basis, the Audit Committee would meet with the External Auditors to go through the Audit Planning Memorandum prior to the commencement of the audit. In addition, the Audit Committee would also meet with the External Auditors to discuss with the External Auditors on their report to the Audit Committee including the key audit matters identified following the completion of their audit. The External Auditors would share with

Principle 5 – Uphold integrity in financial reporting *(Cont'd)*

5.1 Ensure financial statements comply with applicable financial reporting standards *(Cont'd)*

the Audit Committee on the key audit matters identified, any significant issues on the financial statements and regulatory updates. The Audit Committee would obtain the confirmation of the External Auditors with regard to the Company's compliance with the applicable financial reporting standards.

5.2 Policies and procedures to assess suitability and independence of external auditors

The Audit Committee has in place an assessment of the External Auditors and would assess them on an annual basis and report to the Board its recommendation for the reappointment of the External Auditors at the AGM. The External Auditors assures the Audit Committee that they were independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval.

Non-audit fees paid or payable to External Auditors for the financial year ended 31 March 2017 amounted to RM5,000 (2016: RM5,300).

Principle 6 – Recognise and manage risks

6.1 Establish a sound framework to manage risks

The Board had established a sound framework to identify and management significant risks faced by the Group. Such a framework also includes pertinent risk management policies and guidelines to provide structured guidance to personnel across the Group in addressing risk management. The risk appetite of the Group is articulated via the use of risk parameters in the framework, covering financial and non-financial metrics, to assess the likelihood of risks occurring and the impact thereof should the risks crystallise. Internal controls deployed by Management are linked to, and mitigate, the business risks identified.

The Audit Committee works with the Internal Auditors to ensure that the Internal Audit Plan encompasses the audit of the essential services and the follow up on the audits. The Internal Auditors are also required to perform periodic testing of the internal control systems to ensure that the system is robust.

Further details of the risk management framework and the system of internal control of the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

6.2 Establish an internal audit function which reports directly to Audit Committee

The Group's internal audit function is outsourced to a professional services firm to provide the Audit Committee with an independent assessment on the adequacy and effectiveness of the Group's system of internal control. The outsourced internal audit function reports directly to the Audit Committee and its responsibilities include providing independent and objective reports on the state of internal controls of the significant operating units in the Group to the Audit Committee, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems.

During the financial year ended 31 March 2017, based on the audit plan approved by the Audit Committee, the outsourced internal auditors carried out review of selected key processes of the Group, covering internal control framework, investment procedures, and risk management. The total costs incurred by the Company for the internal audit function of the Group for the financial year ended 31 March 2017 amounted to approximately RM23,414.

STATEMENT ON **CORPORATE GOVERNANCE**
(Cont'd)

Principle 6 – Recognise and manage risks *(Cont'd)*

6.2 Establish an internal audit function which reports directly to Audit Committee *(Cont'd)*

Details of the internal control system are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

7.1 Ensure Company has appropriate disclosure policies and procedures

The Board has in place a Corporate Disclosure Policy in line with the Listing Requirements. The Executive Directors are the spokespersons of the Company on all matters relating to the Company to ensure compliance with the disclosure obligations as well as overseeing and co-ordinating disclosure of information. The Board delegated the authority to the Executive Directors of the Company to ensure that Corporate Disclosure Policy is being adhered to by senior management and Company Secretaries in respect to disclosure obligations. The Executive Directors are also given the authority to approve all announcements.

7.2 Encourage Company to leverage on information technology for effective dissemination of information

The Company's website has a section dedicated to shareholders under Investor Relations where shareholders can check on the latest announcements of the Company, press release, media news and also to contact the designated person on investor relations matters.

Principle 8 – Strengthen relationship between Company and shareholders

8.1 Take reasonable steps to encourage shareholder participation at general meetings

The Board encourages the attendance of the shareholders at the Company's AGM. The notice period of the AGM is given to the shareholders in compliance with the minimum of 21 clear days. The shareholders are thus provided with ample time to review the annual report, to appoint proxies and to collate questions to be asked at the AGM.

8.2 Poll voting

With effect from 1 July 2016, all resolutions put forth at the AGM for a vote shall be decided by poll. Further, the resolutions put forth at the AGM of the Company held on 24 August 2016 were voted by way of poll.

The Company's share registrar is well equipped to facilitate the conduct of a poll and the Company will ensure at least one independent scrutineer is appointed to validate the votes cast at the meeting. Further, the results of the poll voting for the general meetings will be announced to Bursa Malaysia Securities Berhad in accordance to Listing Requirements.

8.3 Promote effective communication and proactive engagements with shareholders

Shareholders' meetings are important events for the Board to meet the shareholders. The Chairman would allot sufficient time to encourage the shareholders, proxies and the corporate representatives to ask questions pertaining to the matters tabled at the general meetings. The senior management and External Auditors are present at the shareholders' meetings to answer any query that the shareholders, proxies and corporate representatives may ask.

OTHER COMPLIANCE INFORMATION

A. SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Sustainability refers not only to corporate social responsibility practices but the adoption and application of environmentally responsible practices, sound social policies and good governance structures in order to minimise risks and volatility, whilst enhancing development impact of corporate activities.

As for ABT, the Group takes into account the social, economic and environmental aspects and ensures a good balance among these aspects thus ensuring committed responsibility to our stakeholders. The Group integrates Sustainability practices into its policies and practices. As a technology incubator focusing on green energy and biotechnology, we are duly committed to our Sustainability Practices through the following principles and practices:-

a) Ensure operational policies, be it manufacturing or R&D activities, reduce waste and prevent pollution.
b) Compliance to relevant environmental and related legislation.
c) Ensure a safe and healthy occupational/working environment.
d) Promote environmental awareness to our suppliers, sub-contractors, employees.
e) Periodic review of our policies and actual performance to ensure achievability of objectives.

B. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the external auditors for the financial year ended 31 March 2017 is as follows:-

Details of fees	Group (RM)	Company (RM)
Statutory Audit Fees	62,950	26,000
Non-Audit Fee for review of Statement of Risk Management and Internal Control	5,000	5,000
	67,950	31,000

C. MATERIAL CONTRACTS

During financial year ended 31 March 2017, there was no material contract entered into by the Company and its subsidiaries involving Directors and major shareholders' interests which was still subsisting at the end of the financial year or since the end of the previous financial year.

D. RECURRENT RELATED PARTY TRANSACTIONS

During the financial year ended 31 March 2017, the Company did not enter into any recurrent related party transactions of revenue or trading nature.

E. UTILISATION OF PROCEEDS

There was no proceeds raised from corporate proposals during the financial year.

OTHER **COMPLIANCE INFORMATION**
(Cont'd)

F. SHARE ISSUANCE SCHEME ("SIS")

The SIS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 5 June 2015 and is governed by the Bylaws.

The SIS was implemented on 29 July 2015 and shall be in force for a period of five (5) years and may be extended for such further period, at the sole and absolute discretion of the Board upon the recommendation by the Option Committee, provided always that the Initial Scheme Period ("Initial Scheme Period") above and such extension of the scheme made pursuant to the Bylaws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authorities from the effective date of the SIS.

As at the date of printing of this Annual Report, a total of 314,600,000 options were offered to eligible employees under the SIS. Pursuant to the share consolidation, the 83,000,000 options offered had been adjusted to 27,665,500 and fully exercised subsequently.

SIS in existence as at the financial year ended 31 March 2017 with information as follows:-

Total number of options / shares outstanding as at 1 April 2016	Total number of options exercised during the financial year ended 31 March 2017	Total number of options / shares granted during the financial year ended 31 March 2017	Total options/ shares outstanding as at 31 March 2017
86,000,000	160,000,000	160,000,000	-

Options granted to Directors and Chief Executive

Total number of options / shares outstanding as at 1 April 2016	Aggregate options exercised or vested during the financial year ended 31 March 2017	Aggregate options / shares granted during the financial year ended 31 March 2017	Aggregate options/ shares outstanding as at 31 March 2017
-	-	-	-

Options granted to Directors and Senior Management

	During the financial year ended 31 March 2017	Since commencement of the SIS on 29 July 2015
Aggregate maximum allocation in percentage	-	-
Actual percentage granted	-	-

OTHER **COMPLIANCE INFORMATION**
(Cont'd)

F. SHARE ISSUANCE SCHEME ("SIS") *(Cont'd)*

Breakdown of the options offered to and exercised by non-executive Directors pursuant to SIS in respect of the financial year are as follows:

Name of Directors	Amount of Options Granted	Amount of Options Exercised
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-
Ong Tee Kein	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-
Chu Chee Peng	-	-

G. PROPERTIES

The list of properties of the Company as at 31 March 2017 is as follows:-

Location	Description	Land area	Existing use	Date of Acquisition	Tenure	Approximate age of buildings (years)	Net Book Value as at 31.03.2017 RM'000
Lot 2265, Geran Mukim 6711, Town of Kulim District of Kulim Kedah	Factory	1,630 square metres	Manufacturing of Effective microorganism	2014	Freehold	12	884
Lot 2264, Geran Mukim 6710, Town of Kulim District of Kulim Kedah	Factory	836 Square metres	Storage	2014	Freehold	12	589

AUDIT COMMITTEE REPORT

The Board of Directors of Asia Bioenergy Technologies Berhad is pleased to present the report of the Audit Committee for the financial year ended 31 March 2017.

A. COMPOSITION AND MEETINGS

The composition of the Committee and the attendance by each member at the Committee meetings held during the year are as follows:

Members	Attendance of meetings	Percentage attendance
*Ong Tee Kein (Chairman) *Independent Non-Executive Director*	4/4	100%
Chu Chee Peng *Senior Independent Non-Executive Director*	4/4	100%
YM Tengku Ahmad Badli Shah Bin Raja Hussin *Non-Independent Non-Executive Director*	3/4	75%

B. TERMS OF REFERENCE OF AUDIT COMMITTEE

The full details of terms of reference of the Audit Committee are published on the Company's website at www.asiabio.com.my.

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 March 2017, the Audit Committee has carried out its duties as set out in terms of reference. These include:

a. Reviewed the quarterly financial results, audited financial statements and annual report of the Group and the Company and ensure, amongst others, that it complies with applicable financial reporting standards prior to submission to the Board of Directors for consideration and approval;

b. Reviewed the minutes of meetings of the Audit Committee;

c. Reviewed the acquisition of major investment or fixed assets prior recommending the same to the Board for approval;

d. Reviewed the corporate proposals to be undertaken by the Company;

e. Reviewed the external auditors' audit plans and scope of work for the year and for the Group;

f. Reviewed the external auditors' findings arising from audits and in particular, responses and appropriate action taken by Management.

g. Reviewed the fees and expenses paid to the external auditors and to assess the independence of the external auditors for the re-appointment as external auditors. The Audit Committee is of the opinion that the independence of the external auditors has not been compromised based on the confirmation provided by the external auditors.

h. Reviewed the internal audit reports by the Internal Auditors and the action plans taken by Management to resolve the issues to ensure adequacy of the internal control system;

i. Conducted private meetings with the External Auditors without the presence of Executive Directors or employees of the Group;

AUDIT COMMITTEE REPORT
(Cont'd)

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE *(Cont'd)*

j. Reviewed the internal audit function of the Group;

k. Reviewed the Terms of Reference of the Audit Committee;

l. Reviewed the financial status of the Company and its investee companies; and

m. Reviewed the potential related party transaction of the Group.

D. INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional services firm to provide the Audit Committee with an independent assessment on the adequacy and effectiveness of the Group's risk management and system of internal control. Cost incurred for the internal audit function in respect of the financial year ended 31 March 2017 amounted to RM23,414.

The role of the internal audit function is independent and not related to the Group's External Auditors. The internal audit function includes evaluation on the processes by which significant risks are identified, assessed and managed and ensures that instituted controls are appropriate and effectively applied and the risk exposures are consistent with the Company's risk management policy.

The internal audit division conducts scheduled internal audits based on the audit plan presented to and approved by the Audit Committee. The audit focuses on areas with high risk and ascertains that the risks are effectively mitigated by controls. Periodic reports are then tabled to the Audit Committee on improvements, recommendations and follow-ups.

During the financial year ended 31 March 2017, the internal auditors carried out duties in areas covering the investment procedures of Asiabio Capital Sdn. Bhd. and status of compliance of audit finding in respect to Eco-Sponge Sdn. Bhd. The Internal Audit Reports were tabled to the Audit Committee at the Audit Committee Meeting for discussion on the audit findings and suggestion for improvement for Management's further action.

The details of the Internal Audit Function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Introduction

Pursuant to Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("Listing Requirements") and Recommendation of Malaysian Code on Corporate Governance 2012, the Board is pleased to provide the following Statement on Risk Management and Internal Control ("Statement").

A. BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal controls and risk management and in seeking regular assurance on the adequacy, effectiveness and integrity of the system. The system of internal control covers governance, risk management, financial control, operational control, regulatory and compliance control matters. The Board ensures that the risk management and internal control system manages the Group's relevant and material risks within its risk appetite in order to meet the Group's objectives/ strategies to safeguard shareholders' investments in the Group's assets.

The Board has established an on-going process to continuously review the adequacy and effectiveness of the Group's system of risk management framework and internal control. The Board through its Audit Committee supported by the Group Internal Audit ("GIA") that is independent of the activities it audits, conducted periodic assessments during the financial year to ensure proper risk governance and determine the nature and extent of the significant risks that may hinder the Group from achieving its objectives are being adequately evaluated, managed and controlled. Audit Issues as well as actions agreed by the Management to address them were tabled and deliberated by GIA during the Audit Committee meetings, the minutes of which are then presented to the Board. The Board recognizes the need to embed risk management in all aspects of the Group's activities and setting levels of acceptable risk to aid decision-making and governance processes.

The Board acknowledges the need for a more formal risk management framework and process that is capable in providing a reasonable assurance that risk is managed within tolerable ranges. The Board have received assurance from the Executive Directors that the Group will continuously improve and maintain a sound and effective system of risk management and internal control. In pursuing objectives, the role of Management is to implement the Board's policies, decisions and guidelines on risks and controls that include the identification, evaluation and treatment of risks with appropriate counter measures.

The Board also acknowledges that due to the limitations that are inherent in any system of internal controls as the internal control system can only reduce but not totally eliminate risk that impede the achievement of the Group's business objectives. Therefore, the internal control system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

B. KEY ELEMENTS OF INTERNAL CONTROL SYSTEM

The GIA carried out periodic audit reviews on all business units and support functions in order to evaluate and report on the adequacy, integrity and effectiveness of the overall system of internal control implemented throughout the Group. The GIA aims to advise management on areas for improvement, highlight on significant findings in respect of any non-compliance and subsequently performs follow-up reviews to determine the extent to which the recommendations have been implemented.

GIA reports independently to the Audit Committee and in the course of performing its duties, the GIA has unrestricted access to all functions, records, documents, personnel, or any other resource or information, at all levels throughout the Group. The GIA function is independent of the activities that it audits or reviews, and its personnel are not allowed to perform any operational duties with the Group during their service in the GIA.

The Audit Committee reviews and deliberates internal control issues identified by the internal and external auditors on a regular basis. The Internal Audit function reports directly to the Audit Committee, all findings are communicated to Management and the Audit Committee with improvement recommendations and are follow up to confirm that all agreed recommendations are implemented. The annual audit plan is reviewed and approved by the Audit Committee.

B. KEY ELEMENTS OF INTERNAL CONTROL SYSTEM *(Cont'd)*

The other key elements of the Group's internal control system include:-

- Clearly defined terms of reference, authorities and responsibilities of the Board Committees, which include the Audit Committee, Nomination Committee and Remuneration Committee;
- Formal organization structure with clearly defined roles and lines of responsibility, authority and accountability within the Group;
- Recruitment of adequately experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that effective controls are in place;
- Establishment of an effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Reviewing the adequacy and effectiveness of the system of internal control on an on-going basis;
- Regular comprehensive information is provided to key management, covering financial performance and key business indicators. This enables effective monitoring of significant variances and deviation from budget and business objectives; and
- Engage and appoint solicitors, financial advisors and other competent professionals as may be required in respect of any corporate exercise undertaken by the Group.

The Board remains committed towards operating a sound internal control system. The internal control system will continue to be reviewed and updated, taking into consideration the changing business environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisal by the internal auditors.

The Board is of the view that the system of internal control in place for the financial year under review is sufficient to cater for the requirements of the Group at the existing level of operation and safeguard the Group's interest.

C. RISK MANAGEMENT FRAMEWORK

The Group has in place an on-going process for identifying, evaluating, monitoring and managing/mitigating the significant risks faced by the Group. This process is regularly reviewed by the Board in compliance to relevant guidelines, to achieve a proper balance between risks incurred and potential returns to shareholders.

The Board through the internal audit function has identified all key functional components within the Group and conducted a basic risk assessment exercise with the purpose of prioritizing key areas for internal audit review. In this regard, key risks were assessed using qualitative measures based on the significance of their impact to the Group and the likelihood of occurrence. An assessment of impact and its likelihood of occurring was evaluated, indicating the level of attention required. Areas with higher risk levels are selected as internal audit priority and incorporated into the internal audit plan. Reviews and recommendations are then carried out based on resources allocated, focusing on areas that required immediate mitigation, remedy and rectification. Agreed management action plans are tabled to the Board for approval via the Audit Committee.

<table>
<tr><td rowspan="2">Risk originated from Business Operations</td><td>Identify of Key Risks</td><td>Assessment of Key Risk</td><td>Control of Key Risk</td><td>Monitor of Key Risk</td><td rowspan="2">Balance Risk-Return</td></tr>
<tr><td>Identify and understand Risk</td><td>Evaluate and Assess Risk Impact</td><td>Recommend Risk Response to Mitigate Risk</td><td>Monitor and Report on Progress</td></tr>
</table>

STATEMENT ON **RISK MANAGEMENT & INTERNAL CONTROL**
(Cont'd)

D. COMMUNICATION & WEAKNESSES IN INTERNAL CONTROLS

Information is necessary for the Board to carry out internal control responsibilities in support of achievement of the Group's objectives. The Board ensures that relevant and quality information is generated and communicated to support the proper functioning of all the internal control components. Communication procedures are developed to enable all personnel to understand internal control responsibilities and their importance to the achievement of objectives. The Board affirms its commitment to ensure that all stakeholders are identified and critical stakeholders are included in its communication plan on matters affecting the functioning of internal control.

During the financial year, there were no weaknesses in the system of internal control that has resulted in any material losses, contingencies or uncertainties, which would require disclosure in the Company's Annual Report. Identified minor control shortfalls have been addressed.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

E. REVIEW OF EXTERNAL AUDITORS

In accordance with paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control and reported that nothing has come to their attention that may cause then to believe that the contents of this Statement is inconsistent with their understanding of the actual processes carried out in the Group.

F. CONCLUSION

The Board has obtained assurance from the executive management team and opines that the system of internal control and risk management is operating adequately and effectively in all material aspects for the financial year under review up to the date of approval of this Statement. The Board has appraised and confirms the effectiveness, adequacy and integrity of the system of internal control in operation during the financial year. The Board remains committed toward building a sound system of internal controls within an effective risk management framework. The Board acknowledges that internal controls must continuously improve to support the Group in achieving its key objectives.

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENTS

The primary aim of the Directors are to present a balanced and understandable assessment of the Group's position and prospects through its annual financial statements and quarterly financial results to its shareholders. In presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates. The quarterly financial results were reviewed by the Audit Committee and approved by the board of Directors before its release to Bursa Malaysia Securities Berhad.

The Directors of the Company are required to ensure that the financial statements for each financial year are properly drawn up in accordance with the provision of the Companies Act, 2016 and applicable approved accounting standards in Malaysia as well as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows of the Group and the company for that period.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 March 2017, the Group had used appropriate accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards are adhered to in the preparation of the financial statements.

Financial Statements

31 March 2017

contents

FINANCIAL SECTION

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are engaged in technology incubation and investment holding. The principal activities of the subsidiary companies are as set out in *Note 7* to the financial statements. There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Profit/(loss) for the financial year	2,122,222	(1,201,936)
Attributable to:		
Owners of the Company	2,146,647	(1,201,936)
Non-controlling interests	(24,425)	-
	2,122,222	(1,201,936)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

MOVEMENTS ON RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(a) completed the par value reduction of its ordinary shares from RM0.10 to RM0.05 per share. Pursuant to the par value reduction, the issued share capital of the Company had been reduced from RM86,671,160 comprising 866,711,600 ordinary shares to RM43,335,580 comprising 866,711,600 ordinary shares;

(b) increased its issued share capital from RM43,335,580 to RM47,669,130 by way of the issuance of 86,671,000 new ordinary shares pursuant to the private placement; and

(c) increased its issued share capital from RM47,669,130 to RM56,005,130 by way of the exercise of 160,000,000 new ordinary shares pursuant to the Share Issuance Scheme.

The newly issued shares ranked pari passu in all respects with the previously issued shares.

There was no issue of debentures by the Company during the financial year.

DIRECTORS' REPORT
(Cont'd)

SHARE ISSUANCE SCHEME ("SIS")

On 5 June 2015, the Company was granted approval from shareholders at the Extraordinary General Meeting for the SIS of up to thirty percent (30%) of the Company's total issued share capital at any one time during the duration of the SIS for the eligible persons of the Company and its subsidiary companies who fulfil the eligibility criteria for participation in the SIS.

Salient features of the SIS are as follows:

(a) Each option entitles the eligible person to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.10 during the 5-year period expiring on 29 July 2020 ("Exercise Period"), pursuant to the By-Laws of the SIS; and

(b) At the expiry of the Exercise Period, any options which have not been exercised shall automatically lapse and be of no further legal effect if acceptance is not received on or before the date specified above.

On 5 August 2015, the Company offered total options of 171,000,000 to eligible employees under the SIS with an exercise price of RM0.10 each. All the options offered were lapsed as at the financial year.

				Number of SIS Option			
Name	**Grant date**	**Expiry Date**	**Exercise Price**	**As at 01.04.2016**	**Granted**	**Lapsed**	**As at 31.03.2017**
Tan Yan Shiou	5 August 2015	29 July 2020	RM0.10	43,000,000	-	(43,000,000)	-
Chu Hui Peng	5 August 2015	29 July 2020	RM0.10	43,000,000	-	(43,000,000)	-
Looi Kem Loong	5 August 2015	29 July 2020	RM0.10	85,000,000	-	(85,000,000)	-

On 5 October 2016, the Company offered total options of 120,000,000 to eligible employees under the SIS with an exercise price of RM0.05 each. All of the options offered were exercised during the year.

				Number of SIS Option		
Name	**Grant date**	**Expiry Date**	**Exercise Price**	**Granted**	**Exercised**	**As at 31.03.2017**
David Chuah	5 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-
Melvin Rohan Padmanthan	5 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-
Ee Song Jian	5 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-

On 14 October 2016, the Company offered total options of 40,000,000 to eligible employee under the SIS with an exercise price of RM0.05 each. All the options offered were exercised during the year.

				Number of SIS Option		
Name	**Grant date**	**Expiry Date**	**Exercise Price**	**Granted**	**Exercised**	**As at 31.03.2017**
Lai Pui Guan	14 October 2016	29 July 2020	RM0.05	40,000,000	(40,000,000)	-

WARRANTS 2014/2024

On 28 April 2014, the Company listed and quoted 420,200,000 free detachable warrants ("Warrants") pursuant to the Rights Issue with Warrants Exercise on the basis of one (1) Warrant for every one (1) Rights Share subscribed.

The Warrants are constituted by the Deed Poll dated 17 March 2014 ("Deed Poll").

Salient features of the Warrants are as follows:

(a) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.10 during the 10-year period expiring on 19 April 2024 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll;

(b) At the expiry of the Exercise Period, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purposes; and

(c) Warrant holders must exercise the Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

At 31 March 2017, the total outstanding Warrants is 393,888,400 (2016: 393,888,400).

DIRECTORS

The directors in office since the date of the last report are:

Dato' Seri Abdul Azim Bin Mohd Zabidi
Leung Kok Keong
Tan Sik Eek
Tengku Ahmad Badli Shah Bin Raja Hussin
Ong Tee Kein
Chu Chee Peng

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial year in the shares in the Company and its related companies during the financial year are as follows:

No. of Ordinary Shares

	Balance 01.04.2016	Bought	Sold	Balance 31.03.2017
Direct interest				
Leung Kok Keong	50	1,000,000	-	1,000,050
Tan Sik Eek	-	1,000,000	-	1,000,000

The other directors holding office at the end of the financial year have no interests in shares in the Company during the financial year.

All the directors holding office at the end of the financial year have no interests in Warrants 2014/2024 in the Company during the financial year.

DIRECTORS' REPORT
(Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (*other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown under Directors' Remuneration below, or the fixed salary of a full-time employee of the Company*) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than those transactions as disclosed in Note 26(b) to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS'REMUNERATION

	Group		***Company***	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Executive Directors' remuneration				
- salaries and other emoluments	256,905	189,240	240,897	189,240
- defined contribution plan	23,040	22,080	23,040	22,080
	279,945	211,320	263,937	211,320
Non-executive Directors' remuneration	72,012	102,004	72,012	102,004
- fees	11,222	21,978	11,222	9,460
- other emoluments	83,234	123,982	83,234	111,464
Total directors' remuneration	363,179	335,302	347,171	322,784

Included in the analysis above is remuneration for the directors of the Company and its subsidiary companies in accordance with the requirements of the Companies Act 2016.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was necessary; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts inadequate to any substantial extent in the financial statements or necessitate to make any allowance for doubtful debts or the values attributed to current assets misleading; and

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; and

(b) no charge has arisen on the assets of the Group and of the Company which secures the liabilities of any other person nor has any contingent liability arisen in the Group and in the Company.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in *Note 29* to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in *Note 30* to the financial statements.

DIRECTORS' REPORT
(Cont'd)

AUDITORS

The details of the auditors' remuneration for the financial year are disclosed in *Note 21* to the financial statements.

The auditors, Messrs Siew Boon Yeong & Associates, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

LEUNG KOK KEONG
Director

TAN SIK EEK
Director

Kuala Lumpur
Date: 5 July 2017

STATEMENT **BY DIRECTORS**

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 46 to 99 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to exhibit a true and fair view of the financial positions of the Group and of the Company as at 31 March 2017 and of the financial performance and cash flows of the Group and of the Company for the year ended on that date.

The information set out on page 100 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in Kuala Lumpur on 5 July 2017

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

LEUNG KOK KEONG

TAN SIK EEK

STATUTORY **DECLARATION**

Pursuant to Section 251(1) of the Companies Act 2016

I, Leung Kok Keong, being the director primarily responsible for the financial management of Asia Bioenergy Technologies Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 100 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared in Kuala Lumpur on 5 July 2017

Before Me

KAPT. (B) JASNI BIN YUSOFF
W465
Commissioner for Oaths

LEUNG KOK KEONG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASIA BIOENERGY TECHNOLOGIES BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asia Bioenergy Technologies Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 100.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk area and rationale

As at 31 March 2017, the Group has marketable securities classified as fair value through profit or loss which comprise quoted shares with carrying amount of approximately RM46.34 million.

During the financial year, the Group:-

(a) recognised fair value gain on the marketable securities of approximately RM4.03 million; and

(b) recognised the gain on disposal of marketable securities of RM73,647.

As the marketable securities represents 82% of the Group's total assets and is material, we considered this as a key audit matter.

Our response

Our audit procedures included, amongst others:-

- checked to the source documents to confirm on the ownership of the marketable securities and also on the additions and disposals of the marketable securities;
- checked to the market prices of the quoted marketable securities as at year end to determine the fair value of the marketable securities; and
- evaluated the reasonableness on the changes in fair value and checked the computation of the gain or loss of the marketable securities provided in the financial statements.

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT **AUDITORS' REPORT**
(Cont'd)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 100 is disclosed to meet the requirements of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content for this report.

SIEW BOON YEONG & ASSOCIATES
AF: 0660
Chartered Accountants

DATO' SIEW BOON YEONG
01321/07/2018 J
Chartered Accountant

Kuala Lumpur
Date: 5 July 2017

STATEMENTS OF FINANCIAL POSITION
As at 31 March 2017

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	6,832,641	7,869,843	3,466,138	4,012,887
Intangible assets	6	-	-	-	-
Investment in subsidiary companies	7	-	-	802,059	802,059
Other investments	8	-	-	-	-
Marketable securities	9	43,740,371	25,082,345	-	-
		50,573,012	32,952,188	4,268,197	4,814,946
CURRENT ASSETS					
Inventories	10	370,295	374,886	-	-
Trade receivables	11	860,224	762,044	-	-
Other receivables, deposits and prepayments	12	2,214,968	417,386	60,340	270,860
Amount owing by subsidiary companies	13	-	-	62,858,551	52,413,180
Marketable securities	9	2,599,984	4,664,710	-	-
Cash and bank balances		194,334	96,364	79,956	50,945
		6,239,805	6,315,390	62,998,847	52,734,985
TOTAL ASSETS		56,812,817	39,267,578	67,267,044	57,549,931
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	56,005,130	86,671,160	56,005,130	86,671,160
Reserves	15	(2,996,953)	(46,684,980)	10,972,267	(29,367,177)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS		53,008,177	39,986,180	66,977,397	57,303,983
Non-controlling interests		(1,561,703)	(1,537,278)	-	-
TOTAL EQUITY		51,446,474	38,448,902	66,977,397	57,303,983
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	16	817,721	434,596	-	-
Other payables and accruals	17	567,585	384,080	289,647	245,948
Short-term borrowing	18	3,981,037	-	-	-
		5,366,343	818,676	289,647	245,948
TOTAL LIABILITIES		5,366,343	818,676	289,647	245,948
TOTAL EQUITY AND LIABILITIES		56,812,817	39,267,578	67,267,044	57,549,931

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 31 March 2017

		Group		*Company*	
		2017	**2016**	**2017**	**2016**
	Note	**RM**	**RM**	**RM**	**RM**
REVENUE	*19*	5,354,052	9,518,186	12	14,812
COST OF SALES		(5,788,170)	(10,766,436)	-	-
GROSS (LOSS)/PROFIT		(434,118)	(1,248,250)	12	14,812
OTHER OPERATING INCOME		4,245,658	39,585	26,833	-
ADMINISTRATIVE EXPENSES		(1,007,784)	(5,331,606)	(645,368)	(5,023,976)
OTHER OPERATING EXPENSES		(641,423)	(22,274,254)	(583,413)	(5,275,423)
PROFIT/(LOSS) FROM OPERATIONS		2,162,333	(28,814,525)	(1,201,936)	(10,284,587)
FINANCE COSTS	*20*	(40,111)	(13,572)	-	-
PROFIT/(LOSS) BEFORE TAXATION	*21*	2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
INCOME TAX EXPENSE	*22*	-	-	-	-
PROFIT/(LOSS) FOR THE YEAR/ TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Owners of the Company		2,146,647	(27,431,801)	(1,201,936)	(10,284,587)
Non-controlling interests		(24,425)	(1,396,296)	-	-
		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
TOTAL COMPREHENSIVE INCOME /(LOSS) ATTRIBUTABLE TO:					
Owners of the Company		2,146,647	(27,431,801)	(1,201,936)	(10,284,587)
Non-controlling interests		(24,425)	(1,396,296)	-	-
		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
EARNINGS/(LOSS) PER SHARE					
- Basic (sen)	*24*	0.22	(3.17)		
- Diluted (sen)	*24*	0.16	N/A		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Attributable to owners of the Company							
	Non-Distributable							
Group	**Share capital RM**	**Share premium RM**	**Warrants reserve RM**	**Share option reserve RM**	**Accumulated losses RM**	**Sub-total RM**	**Non-controlling interests RM**	**Total equity RM**
Balance at 1 April 2015	86,671,160	22,254	333,452	-	(22,679,085)	64,347,781	(140,982)	64,206,799
Transactions with owners:								
Share option granted under the Share Issuance Scheme	-	-	-	3,070,200	-	3,070,200	-	3,070,200
Total comprehensive loss for the year	-	-	-	-	(27,431,801)	(27,431,801)	(1,396,296)	(28,828,097)
Balance at 31 March 2016/ 1 April 2016	86,671,160	22,254	333,452	3,070,200	(50,110,886)	39,986,180	(1,537,278)	38,448,902
Transactions with owners:								
Par value reduction	(43,335,580)	-	-	-	43,335,580	-	-	-
Issuance of ordinary shares under private placement	4,333,550	-	-	-	-	4,333,550	-	4,333,550
Issuance of ordinary shares pursuant to Share Issuance Scheme	8,336,000	1,276,000	-	(3,070,200)	-	6,541,800	-	6,541,800
Total transactions with owners	(30,666,030)	1,276,000	-	(3,070,200)	43,335,580	10,875,350	-	10,875,350
Total comprehensive income/ (loss) for the year	-	-	-	-	2,146,647	2,146,647	(24,425)	2,122,222
Balance at 31 March 2017	56,005,130	1,298,254	333,452	-	(4,628,659)	53,008,177	(1,561,703)	51,446,474

STATEMENTS OF **CHANGES IN EQUITY**
For the year ended 31 March 2017
(Cont'd)

Company	Share capital RM	Share premium RM	Warrants reserve RM	Share option reserve RM	(Accumulated losses)/ Retained profits RM	Total equity RM
	Non-Distributable					
Balance at 1 April 2015	86,671,160	22,254	333,452	-	(22,508,496)	64,518,370
Transactions with owners:						
Share option granted under the Share Issuance Scheme	-	-	-	3,070,200	-	3,070,200
Total comprehensive loss for the year	-	-	-	-	(10,284,587)	(10,284,587)
Balance at 31 March 2016/ 1 April 2016	86,671,160	22,254	333,452	3,070,200	(32,793,083)	57,303,983
Transactions with owners:						
Par value reduction	(43,335,580)	-	-	-	43,335,580	-
Issuance of ordinary shares pursuant to private placement	4,333,550	-	-	-	-	4,333,550
Issuance of ordinary shares pursuant to Share Issuance Scheme	8,336,000	1,276,000	-	(3,070,200)	-	6,541,800
Total transactions with owners	(30,666,030)	1,276,000	-	(3,070,200)	43,335,580	10,875,350
Total comprehensive loss for the year	-	-	-	-	(1,201,936)	(1,201,936)
Balance at 31 March 2017	56,005,130	1,298,254	333,452	-	9,340,561	66,977,397

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation		2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
Adjustments for:					
Bad debts written off		17,427	-	10,359	-
Depreciation	5	1,049,727	1,628,607	573,054	572,966
Equity-settled share-based payment		(1,458,200)	3,070,200	(1,458,200)	3,070,200
Fair value (gain)/loss on marketable securities		(4,027,837)	12,960,018	-	-
Gain on disposal of property, plant and equipment		(2,120)	-	-	-
Gain on foreign exchange - unrealised		(188,560)	(39,585)	-	-
Impairment losses on:					
- goodwill	6	-	1,595,768	-	-
- investment in subsidiary companies	7	-	-	-	1,636,335
- other investments	8	-	4,963,223	-	3,065,504
- property, plant and equipment	5	-	2,124,326	-	-
Interest expenses		40,111	13,572	-	-
(Gain)/loss on disposal of marketable securities		(73,647)	209,846	-	-
Property, plant and equipment written off		-	618	-	618
Waiver of debts		(26,833)	-	(26,833)	-
Operating loss before working capital changes		(2,547,710)	(2,301,504)	(2,103,556)	(1,938,964)
Proceeds from disposal of marketable securities		4,868,117	9,404,658	-	-
Purchase of marketable securities		(17,281,879)	(10,886,360)	-	-
Decrease/(increase) in inventories		4,591	(154,676)	-	-
(Increase)/decrease in receivables		(1,864,733)	1,740,965	(10,245,210)	234,104
Withdrawal of deposits with a licensed financial institution		-	1,000,000	-	1,000,000
Increase in payables		655,513	480,076	70,532	146,631
Net cash used in operating activities		(16,166,101)	(716,841)	(12,278,234)	(558,229)

STATEMENTS OF CASH FLOWS
For the year ended 31 March 2017
(Cont'd)

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiary company		-	-	-	(50,000)
Purchase of property, plant and equipment		(26,305)	(277,588)	(26,305)	(52,571)
Proceeds from disposal of property, plant and equipment		15,900	-	-	-
Net cash used in investing activities		(10,405)	(277,588)	(26,305)	(102,571)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares pursuant to private placement		4,333,550	-	4,333,550	-
Proceeds from issuance of shares pursuant to Share Inssuance Scheme		8,000,000	-	8,000,000	-
Drawdown of short-term borrowing		3,981,037	-	-	-
Interest paid		(40,111)	(13,572)	-	-
Net cash generated from/(used in) financing activities		16,274,476	(13,572)	12,333,550	-
Net increase/(decrease) in cash and cash equivalents		97,970	(1,008,001)	29,011	(660,800)
Cash and cash equivalents at beginning of year		96,364	1,104,365	50,945	711,745
Cash and cash equivalents at end of year		194,334	96,364	79,956	50,945
CASH AND CASH EQUIVALENTS COMPRISE:					
Cash and bank balances		194,334	96,364	79,956	50,945

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are engaged in technology incubation and investment holding. The principal activities of the subsidiary companies are as set out in *Note 7*. There were no significant changes in the nature of these activities during the financial year.

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is 10th Floor Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The address of the principal place of business of the Company is No. 68, Jalan Waja 2, Taman Industri Waja, 09000 Kulim, Kedah.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Company (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional currency of the Company and its subsidiary companies.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

On 1 April 2016, the Group and the Company adopted the following MFRSs and Amendments to MFRSs issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 January 2016:

MFRS 14 - Regulatory Deferral Accounts

Amendments to MFRS 10 Consolidated Financial Statements - Investment Entities:
Applying the Consolidation Exception

Amendments to MFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 12 Disclosure of Interests in Other Entities - Investment Entities:
Applying the Consolidation Exception

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure Initiative

Amendments to MFRS 116 Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 Property, Plant and Equipment - Agriculture: Bearer Plants

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(Cont'd)*

Amendments to MFRS 127 Consolidated and Separate Financial Statements - Equity Method in Separate Financial Statements

Amendments to MFRS 128 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 138 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 141 Agriculture - Agriculture: Bearer plants

Annual Improvements to MFRSs 2012-2014 Cycle

The adoption of the above MFRS and Amendments to MFRSs did not have any material impacts to the financial statements of the Group and of the Company.

MFRSs, Amendments to MFRSs and Issue Committees ("IC") Interpretation that have been issued but are not yet effective

The Group and the Company have not adopted the following MFRSs, Amendments to MFRSs and IC Interpretation that have been issued but not yet effective:

MFRSs/Amendments to MFRSs/IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 107 Statement of Cash Flows – Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Loses	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2017, 1 January 2018
MFRS 9 - Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 - Revenue from Contracts with Customers	1 January 2018
MFRS 15 – Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 140 Investment Property - Transfers of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(Cont'd)*

MFRSs/Amendments to MFRSs/IC Interpretation *(Cont'd)*	**Effective for annual periods beginning on or after**
MFRS 16 - Leases	1 January 2019
Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The adoption of these standards and amendments that have been issued but not yet effective are not expected to have a material impact to the financial statements of the Group and of the Company except as discussed below:

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in MFRS 9 are based on expected credit loss model and replace the MFRS 139 Financial Instruments: Recognition and Measurement incurred loss model.

MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group and the Company do not expect a significant change to the measurement basis arising from the adoption of the new classification and measurement model under MFRS 9. Loans and receivables that are currently accounted for using amortised cost will continue to be accounted for using amortised cost model under MFRS 9. For equity securities, the Group will continue to measure its currently held-for-trading equity securities at fair value through profit or loss.

MFRS 9 requires the Group and the Company to record expected credit losses on loans and receivables, either on 12-months or lifetime basis. The Group and the Company expect to apply the simplified approach and record lifetime expected losses on trade receivables. Upon application of the expected credit loss model, the Group and the Company expect an impact to profit or loss due to unsecured nature of the loans and receivables, but the Group and the Company will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

The Group and the Company plan to adopt the new standard on the required effective date without restating comparative information and recognise any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(Cont'd)*

MFRS 15 Revenue from Contracts with Customers *(Cont'd)*

The new standard will supersede all current revenue recognition requirements under MFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group and the Company expect the following impact upon adoption of MFRS 15:

Variable consideration

Some contracts with customers provide a right to return, trade discounts or volume rebates. Currently, the Group and the Company recognise revenue from sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group and the Company defer revenue recognition until uncertainty resolved. Such provisions give rise to variable consideration under MFRS 15, and will be required to be estimated at contract inception. MFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group and the Company continue to assess individual contract to determine the estimated variable consideration and related constraint. The Group and the Company expect that application of the constraint may result in more revenue being deferred than is under the current MFRS.

Right of return

The Group and the Company currently recognise provision for the net margin arising from expected returns. Under MFRS 15, an entity estimates the transaction price and recognises revenue based on the amounts to which the entity expects to be entitled through the end of the return period, and recognises such amount of expected returns as a refund liability, representing its obligation to return the customer's consideration. The Group and the Company expect to recognise a liability for the refund obligation and an asset for the right to recover the returned goods under MFRS 15.

The Group and the Company plan to adopt the new standard on the required effective date using the full retrospective approach. The Group and the Company are currently performing a detailed analysis under MFRS 15 to determine their election of the practical expedients and to quantify the transition adjustments on their financial statements.

MFRS 16 Leases

MFRS 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The new standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if MFRS 15 also applied.

The Group and the Company are currently assessing the impact of the new standard and plans to adopt it on the required effective date. The Group and the Company expect the adoption of MFRS 16 will result in increase in total assets and total liabilities.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis Of Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(i) Acquisition method of accounting

Acquisition of subsidiary companies is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(ii) Merger accounting for common control business combinations

Under the pooling-of-interests method of accounting, the results of entities or businesses under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired were recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The difference between the cost of acquisition and the nominal value of the shares acquired together with the share premium are taken to merger reserve or merger deficit. The other components of equity of the acquired entities are added to the same components within the Group's equity.

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(a) Basis Of Consolidation *(Cont'd)*

(iii) Non-controlling interest

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Property, Plant And Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, where applicable.

Freehold land is not depreciated.

All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

	Rate %
Factory	2
Buildings	10
Computers	20 - 33.33
Furniture and fittings	10
Lab equipment	10 - 20
Motor vehicles	10 - 20
Office equipment	20
Plant and machinery	10 - 20
Renovation	10
Signboard	10 - 20

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group and the Company are obligated to incur when the asset is acquired, if applicable.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(b) Property, Plant And Equipment *(Cont'd)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

(c) Intangible Assets

Goodwill
Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiary companies exceeds the cost of the business combinations, the excess is recognised as income immediately in profit and loss.

(d) Investment In Subsidiary Companies

Subsidiary companies are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

Investment in subsidiary companies are stated at cost and are written down when there is a permanent impairment in the value of the investments. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

(e) Inventories

Inventories are stated at lower of cost and net realisable value and are determined on the weighted average basis. The cost of inventories comprises actual costs of purchase, incidental costs in bringing the inventories into store and appropriate proportions of manufacturing overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated costs necessary to make the sale.

(f) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(f) Financial Instruments *(Cont'd)*

Financial instruments are offset when the Group and the Company have a legally enforceable right to offset and intend to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's and the Company's rights to receive payment is established.

  Financial assets at fair value through profit or loss could be presented as current or non-current based on management's strategic intent.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- *Loans and Receivables*

  Loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(f) Financial Instruments *(Cont'd)*

(i) Financial Assets (Cont'd)

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's and the Company's rights to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

Financial liabilities are recognised in the statements of financial position when, and only when the Group and the Company have become a party to the contractual provision of the financial instrument.

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

- *Financial Liabilities at Fair Value Through Profit or Loss*

  Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges or a derivative that is a financial guarantee contract.

- *Other Financial Liabilities*

  Other financial liabilities are non-derivatives financial liabilities. Other liabilities are subsequently measured at amortised cost using the effective interest method.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

All transactions with the owners of the Company are recorded separately within equity.

A financial asset is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(f) Financial Instruments *(Cont'd)*

(iii) Equity Instruments (Cont'd)

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss. A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(g) Fair Value Measurement

The Group measures the marketable securities at fair value at the end of the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes places either:

(i) in the principal market for the assets or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Group determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy.

(h) Current Versus Non-current Classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

(i) expected to be realised or intended to be sold or consumed in the normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(h) Current Versus Non-current Classification *(Cont'd)*

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(i) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss) are assessed at the end of the reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(i) Impairment *(Cont'd)*

(ii) Impairment of Non-financial Assets

The carrying amounts of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of the reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

(j) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of the reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(k) Related Parties

A party is related to an entity if:

(i) directly, or indirectly through one or more intermediaries, the party:
  a. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiary companies and fellow subsidiary companies);
  b. has an interest in the entity that gives it significant influence over the entity; or
  c. has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venture;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(k) Related Parties *(Cont'd)*

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(l) Foreign Currency

Transactions in foreign currencies are measured in the respectively functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within other income.

All exchange differences are taken to profit or loss.

(m) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

Income from business activities of the Group and of the Company is recognised using the following bases:

(i) Sale Of Marketable Securities

Proceeds from sale of marketable securities are recognised upon transfer of ownership of investments.

(ii) Interest Income

Interest income is recognised on an effective yield basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(m) Revenue Recognition *(Cont'd)*

(iii) Dividend Income

Dividend income from investments is recognised when the rights to receive payment is established.

(iv) Sale Of Goods And Services Rendered

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of the Group's and of the Company's activities. Revenue from sale of goods and services rendered are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts, and services are performed.

(n) Income Tax Expense

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(o) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

(ii) Defined Contribution Plans

The Group's and the Company's contributions to defined contribution plans regulated and managed by the government, are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

(iii) Share-based Payment Transactions

Equity-settled Share-based Payment Transactions

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Group's and the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of the reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

(p) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(q) Earnings Per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Warrants Reserve

Amount allocated in relation to the issuance of warrants is credited to warrants reserve which is non-distributable. Warrants reserve is transferred to share capital or retained profits upon the exercise or expiry of the warrants respectively.

(s) Cash And Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenue.

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation Of Property, Plant And Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiary companies recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Impairment Of Loans And Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(d) Impairment Of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

(e) Classification Of Financial Assets

The Group classifies its financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables.

The classification of current and non-current financial assets are based on management's strategic intent and will change accordingly as the management's intent changes from time to time.

(f) Impairment Loss On Investment In Subsidiary Companies

The carrying value of investment in subsidiary companies is reviewed for impairment. In the determination of the value-in-use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(g) Write-down Of Inventories

Reviews are made periodically by management on damaged, obsolete and slowing-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(h) Impairment Of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(i) Employees Share Option Scheme (''ESOS'') Reserve

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimates also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

5. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

Group	Freehold land RM	Factory RM	Buildings RM	Computers RM	Furniture and fittings RM	Lab equipment RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation RM	Signboard RM	Total RM
Cost												
At 1 April 2015	1,000,000	500,000	292,000	56,460	56,500	777,298	133,688	73,533	7,815,345	2,069,040	1,200	12,775,064
Additions	-	-	-	10,908	8,851	-	-	1,272	219,745	34,560	2,252	277,588
Written off	-	-	-	(5,772)	-	-	-	(25,833)	-	-	-	(31,605)
At 31 March 2016	1,000,000	500,000	292,000	61,596	65,351	777,298	133,688	48,972	8,035,090	2,103,600	3,452	13,021,047
Additions	-	-	-	24,205	2,100	-	-	-	-	-	-	26,305
Disposal	-	-	-	-	-	-	-	-	(15,900)	-	-	(15,900)
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	1,000,000	500,000	292,000	77,200	67,451	777,298	133,688	48,972	8,019,190	2,103,600	3,452	13,022,851
Accumulated depreciation												
At 1 April 2015	-	6,667	57,201	30,690	3,767	279,069	21,270	29,111	847,469	153,934	80	1,429,258
Charge for the year	-	10,000	29,200	10,484	6,314	155,459	23,138	13,072	1,171,052	209,498	390	1,628,607
Written off	-	-	-	(5,772)	-	-	-	(25,215)	-	-	-	(30,987)
At 31 March 2016	-	16,667	86,401	35,402	10,081	434,528	44,408	16,968	2,018,521	363,432	470	3,026,878
Charge for the year	-	10,000	29,200	13,156	6,675	153,458	23,237	9,795	597,419	206,097	690	1,049,727
Disposals	-	-	-	-	-	-	-	-	(2,120)	-	-	(2,120)
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	-	26,667	115,601	39,957	16,756	587,986	67,645	26,763	2,613,820	569,529	1,160	4,065,884
Accumulated impairment loss												
At 1 April 2015	-	-	-	-	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	6,000	-	-	2,085,727	32,599	-	2,124,326
At 31 March 2016/ 31 March 2017	-	-	-	-	-	6,000	-	-	2,085,727	32,599	-	2,124,326
Net carrying amount												
At 31 March 2017	1,000,000	473,333	176,399	37,243	50,695	183,312	66,043	22,209	3,319,643	1,501,472	2,292	6,832,641
At 31 March 2016	1,000,000	483,333	205,599	26,194	55,270	336,770	89,280	32,004	3,930,842	1,707,569	2,982	7,869,843

5. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

The details of property, plant and equipment are as follows:

Company	Freehold land RM	Factory RM	Buildings RM	Computers RM	Furniture and fittings RM	Lab equipment RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation RM	Signboard RM	Total RM
Cost												
At 1 April 2015	1,000,000	500,000	292,000	48,960	56,500	759,835	35,000	35,833	850,000	1,843,100	1,200	5,422,428
Additions	-	-	-	10,908	8,851	-	-	-	-	30,560	2,252	52,571
Written off	-	-	-	(5,772)	-	-	-	(25,833)	-	-	-	(31,605)
At 31 March 2016	1,000,000	500,000	292,000	54,096	65,351	759,835	35,000	10,000	850,000	1,873,660	3,452	5,443,394
Additions	-	-	-	24,205	2,100	-	-	-	-	-	-	26,305
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	1,000,000	500,000	292,000	69,700	67,451	759,835	35,000	10,000	850,000	1,873,660	3,452	5,461,098
Accumulated depreciation												
At 1 April 2015	-	6,667	57,201	30,317	3,767	275,825	2,333	22,540	354,166	135,632	80	888,528
Charge for the year	-	10,000	29,200	8,984	6,314	151,966	3,500	6,008	170,000	186,604	390	572,966
Written off	-	-	-	(5,772)	-	-	-	(25,215)	-	-	-	(30,987)
At 31 March 2016	-	16,667	86,401	33,529	10,081	427,791	5,833	3,333	524,166	322,236	470	1,430,507
Charge for the year	-	10,000	29,200	11,656	6,675	151,966	3,500	2,000	170,000	187,367	690	573,054
Written off	-	-	-	(8,601)	-	-	-	-	-	-	-	(8,601)
At 31 March 2017	-	26,667	115,601	36,584	16,756	579,757	9,333	5,333	694,166	509,603	1,160	1,994,960
Net carrying amount												
At 31 March 2017	1,000,000	473,333	176,399	33,116	50,695	180,078	25,667	4,667	155,834	1,364,057	2,292	3,466,138
At 31 March 2016	1,000,000	483,333	205,599	20,567	55,270	332,044	29,167	6,667	325,834	1,551,424	2,982	4,012,887

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group

Impairment loss recognised

In the previous year, a subsidiary company carried out a review on the recoverable amount of its plant and equipment. An impairment loss on the plant and equipment of RM2,124,326 had been recognised by the subsidiary company as there was no future economic benefits expected to be generated through the use of the plant and equipment.

6. INTANGIBLE ASSETS

	Goodwill
Group	**RM**
Cost	
At 1 April 2015	2,355,570
Acquisition of subsidiary company *(Note 25 (b))*	7,979
At 31 March 2016/31 March 2017	2,363,549
Accumulated impairment losses	
At 1 April 2015	(767,781)
Impairment for the year	(1,595,768)
At 31 March 2016/31 March 2017	(2,363,549)
Carrying amount	
At 31 March 2017	-
At 31 March 2016	-

Group

Impairment loss recognised

In the previous year, impairment loss was provided as the value-in-use of the operating units, based on the cash flows and profitability projection computed by management over three (3) to five (5) years were not able to justify the carrying amount of the goodwill of the operating units.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2017	**2016**
	RM	**RM**
Unquoted shares, at cost		
At 1 April	9,103,004	9,053,004
Additions	-	50,000
At 31 March	9,103,004	9,103,004
Accumulated impairment losses		
At 1 April	8,300,945	6,664,610
Impairment for the year	-	1,636,335
At 31 March	8,300,945	8,300,945
Net carrying value	802,059	802,059

Details of the subsidiary companies, all of which were incorporated in Malaysia, are as follows:

Name of subsidiary companies	**Effective 2017 %**	**Equity Interest 2016 %**	**Principal activities**
Eco-Sponge Sdn. Bhd.	100	100	Engaged in the manufacturing and trading of absorbent chemical compound and other related services and trading of fertilizer related products.
Asiabio Capital Sdn. Bhd. (''ACSB'')	100	100	Investing and trading in quoted securities and related activities.
Hexa Bonanza Sdn. Bhd.	50	50	Contractor and technology provider for biomass pelletizing and related equipment.
Asiabio Petroleum Sdn. Bhd. ("APSB")	100	100	Engaged in the business of providing engineering and maintenance services specifically for the oil and gas sector.
Artisan Semesta Sdn. Bhd. ("ASSB")	100	100	Manufacturing and trading in agricultural related products and supplying solar photovoltaic (PV) energy.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

7. INVESTMENT IN SUBSIDIARY COMPANIES *(Cont'd)*

Company

Impairment loss recognised

In previous year, impairment loss was provided for investment in subsidiary companies which had accumulated losses and had deficits in their shareholders' equity. The forecasted financial performance and cash flows of these subsidiary companies, except for ACSB and ASSB were not able to generate sufficient future economic benefits to justify the carrying value of the investment cost in these subsidiary companies.

8. OTHER INVESTMENTS

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Unquoted shares, at cost				
At 1 April/At 31 March	11,941,594	11,941,594	6,242,341	6,242,341
Accumulated impairment losses				
At 1 April	(11,941,594)	(6,978,371)	(6,242,341)	(3,176,837)
Impairment for the year	-	(4,963,223)	-	(3,065,504)
At 31 March	(11,941,594)	(11,941,594)	(6,242,341)	(6,242,341)
Net carrying value				
At 31 March	-	-	-	-

Group and Company

Investment in unquoted shares designated as available-for-sale financial assets, is stated at cost as their fair values cannot be reliably measured using valuation techniques due to lack of marketability of the shares.

Impairment loss recognised

In the previous year, impairment loss was provided for other investments as the forecasted financial performance and cash flows of these investments were not able to generate sufficient future economic benefits to justify the carrying value of these investments.

9. MARKETABLE SECURITIES

	Group	
	2017	**2016**
	RM	**RM**
Shown under non-current assets		
Quoted shares, in Malaysia	43,740,371	25,082,345
Shown under current assets		
Quoted shares, in Malaysia	1,881,600	2,855,583
Quoted shares, outside Malaysia	718,384	1,809,127
	2,599,984	4,664,710
Total marketable securities classified as fair value through profit or loss	46,340,355	29,747,055
Market value	46,340,355	29,747,055

10. INVENTORIES

	Group	
	2017	**2016**
	RM	**RM**
At net realisable value:		
Raw materials	80,483	82,771
Finished goods	289,812	292,115
	370,295	374,886

11. TRADE RECEIVABLES

Group

The normal trade credit term granted by the Group is 30 days (2016: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other receivables	25,429	5,440	-	-
Deposits	2,181,670	395,929	58,420	267,860
Prepayments	7,869	16,017	1,920	3,000
	2,214,968	417,386	60,340	270,860

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

13. AMOUNT OWING BY SUBSIDIARY COMPANIES

Company

The non-trade balances are unsecured, interest free and are repayable on demand.

14. SHARE CAPITAL

	Group		Company	
	2017	2016	2017	2016
	← Number of shares →		RM	RM
Ordinary shares Issued and fully paid				
At 1 April	866,711,600	866,711,600	86,671,160	86,671,160
Par value reduction	-	-	(43,335,580)	-
Issued during the year pursuant to private placement	86,671,000	-	4,333,550	-
Exercised of SIS	160,000,000	-	8,336,000	-
At 31 March	1,113,382,600	866,711,600	56,005,130	86,671,160

During the financial year, the Company:

(a) completed the par value reduction from RM0.10 to RM0.05 per share. Pursuant to the par value reduction, the issued share capital of the Company had been reduced from RM86,671,160 comprising 866,711,600 ordinary shares to RM43,335,580 comprising 866,711,600 ordinary shares;

(b) increased its issued share capital from RM43,335,580 to RM47,669,130 by way of the issuance of 86,671,000 new ordinary shares of RM0.05 each pursuant to the private placement of the Company; and

(c) increased its issued share capital from RM47,669,130 to RM56,005,130 by way of the exercise of 160,000,000 new ordinary shares of RM0.05 each pursuant to Share Issuance Scheme ("SIS") of the Company.

The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

Effective from 31 January 2017, the ordinary shares have no par value.

14. SHARE CAPITAL *(Cont'd)*

Warrants 2014/2024 ("Warrants")

The number of Warrants remained unexercised at the end of the financial year are as follows :

	Group and Company	
	2017	2016
	← Number of warrants →	
Unexercised Warrants	393,888,400	393,888,400

The Warrants were listed on Bursa Malaysia Securities Berhad on 28 April 2014. Each Warrant entitles its holder the right to subscribe for one ordinary share in the Company at any time up to the expiry date of 19 April 2024 at an exercise price of RM0.10 payable in cash.

15. RESERVES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-distributable:				
Share premium	1,298,254	22,254	1,298,254	22,254
Warrants reserve	333,452	333,452	333,452	333,452
Share option reserve	-	3,070,200	-	3,070,200
	1,631,706	3,425,906	1,631,706	3,425,906
Distributable:				
(Accumulated losses) / retained profits	(4,628,659)	(50,110,886)	9,340,561	(32,793,083)
	(2,996,953)	(46,684,980)	10,972,267	(29,367,177)

Share Premium

	Group and Company	
	2017	2016
	RM	RM
At 1 April	22,254	22,254
Exercised of SIS	1,276,000	-
At 31 March	1,298,254	22,254

Share premium is not distributable by way of dividends.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

15. RESERVES *(Cont'd)*

Warrants Reserve

Warrants reserve arose from the issuance of Warrants at a fair valuation of RM0.00085 per Warrant.

Share Option Reserve

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shared options, and is reduced by the expiry or exercise of the share options.

The movements of the options are as follows:

	Group and Company				
	Number of Options				
Date of offer	**As at 01.04.2016**	**Offerred**	**Lapsed**	**Exercised**	**As at 31.03.2017**
05.08.2015	86,000,000	-	(86,000,000)	-	-
05.10.2016	-	120,000,000	-	(120,000,000)	-
14.10.2016	-	40,000,000	-	(40,000,000)	-
	86,000,000	160,000,000	(86,000,000)	(160,000,000)	-

The fair value of the options granted of RM0.0357 per option on 5 August 2015 was estimated using the Black-Scholes Option Pricing Model. The key inputs to derive at the fair value of the options measured at the grant date are as follows:

(a) Share prices based on 5-day Volume Weighted Average Price of the Company's share up to 4 August 2015 of RM0.662;

(b) Share price volatility is assumed at 90 days;

(c) Annual risk free interest rate of 3.61%;

(d) Exercise price of the option of RM0.10 per option; and

(e) Duration of the option to expiry date of 4.98 years.

15. RESERVES *(Cont'd)*

The fair value of the options granted of RM0.0084 per option on 5 October 2016 was estimated using the Black-Scholes Option Pricing Model. The key inputs to derive at the fair value of the options measured at the grant date are as follows:

(a) Share prices based on 5-day Volume Weighted Average Price of the Company's share up to 4 October 2016 of RM0.0493;

(b) Share price volatility is assumed at 57 days;

(c) Annual risk free interest rate of 3.53%;

(d) Exercise price of the option of RM0.05 per option; and

(e) Duration of the option to expiry date of 0.156 year.

The fair value of the options granted of RM0.0151 per option on 14 October 2016 was estimated using the Black-Scholes Option Pricing Model. The key inputs to derive at the fair value of the options measured at the grant date are as follows:

(a) Share prices based on 5-day Volume Weighted Average Price of the Company's share up to 13 October 2016 of RM0.0497;

(b) Share price volatility is assumed at 169 days;

(c) Annual risk free interest rate of 3.50%;

(d) Exercise price of the option of RM0.05 per option; and

(e) Duration of the option to expiry date of 0.463 year.

16. TRADE RECEIVABLES

Group

Credit terms of trade payables ranged from 60 to 90 days (2016: 60 to 90 days).

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

17. OTHER PAYABLES AND ACCRUALS

	Group		*Company*	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other payables	342,323	274,269	116,819	161,740
Amount owing to directors	51,254	8,504	51,254	8,504
Accruals	174,008	101,307	121,574	75,704
	567,585	384,080	289,647	245,948

Group and Company

The amount owing to directors are unsecured, interest free and are repayable on demand.

18. SHORT-TERM BORROWING

The short-term borrowing is denominated in United State Dollar ("USD"), unsecured and granted by licensed financial institution.

The short-term borrowing bears effective interest rate at LIBOR + 3% (2016: Nil) per annum and is repayable on demand.

19. REVENUE

	Group		*Company*	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Dividend income	7,827	7,716	-	-
Sale of goods and services	478,096	91,000	-	-
Proceeds from sale of marketable securities	4,868,117	9,404,658	-	-
Interest income	12	14,812	12	14,812
	5,354,052	9,518,186	12	14,812

Gain/(loss) on disposal of marketable securities is arrived at based on the following:

	Group	
	2017	**2016**
	RM	**RM**
Proceeds from sale of marketable securities	4,868,117	9,404,658
Less: Cost of investments	(7,151,181)	(8,697,531)
(Loss)/gain on disposal	(2,283,064)	707,127
Add: Previously recognised fair value changes	2,356,711	(916,973)
Gain/(loss) on disposal recognised in profit or loss	73,647	(209,846)

20. FINANCE COSTS

	Group 2017 RM	Group 2016 RM
Other interest	40,111	13,572

21. PROFIT/(LOSS) BEFORE TAXATION

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Profit/(loss) before taxation is stated after charging:				
Auditors' remuneration:				
- current year's provision	54,000	59,000	25,000	29,000
- under provision in respect of prior year	8,950	11,300	1,000	1,000
- other services	5,000	5,000	5,000	5,000
Bad debts written off	17,427	-	10,359	-
Depreciation	1,049,727	1,628,607	573,054	572,966
Fair value loss on marketable securities	-	12,960,018	-	-
Impairment losses on				
- goodwill	-	1,595,768	-	-
- investment in subsidiary companies	-	-	-	1,636,335
- other investments	-	4,963,223	-	3,065,504
- property, plant and equipment	-	2,124,326	-	-
Loss on disposal of marketable securities	-	209,846	-	-
Loss on foreign exchange				
- realised	-	78,225	-	-
Property, plant and equipment written off	-	618	-	618
Rental of equipment	-	26,400	-	-
Rental of premises	83,500	66,500	78,500	62,500
Staff costs *(Note 23)*	(167,651)	4,108,025	(289,776)	4,015,639
and crediting:				
Fair value gain on marketable securities	4,027,837	-	-	-
Gain on disposal of marketable securities	73,647	-	-	-
Gain on disposal of plant, property and equipment	2,120	-	-	-
Gain on foreign exchange				
- unrealised	188,560	39,585	26,833	-
Waiver of debts	26,833	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

22. INCOME TAX EXPENSE

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Malaysian income tax:				
- current year's provision	-	-	-	-

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Profit/(loss) before taxation	2,122,222	(28,828,097)	(1,201,936)	(10,284,587)
Income tax expense at Malaysian statutory tax rate of 24% (2016: 24%)	509,333	(6,918,743)	(288,465)	(2,468,301)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	311,689	6,408,740	288,465	2,468,301
- income not subject to tax	(1,577,546)	(161,769)	-	-
- deferred tax assets not recognised during the year	756,524	812,457	-	-
- utilisation of deferred tax assets not recognised in respect of prior year	-	(140,685)	-	-
	(509,333)	6,918,743	288,465	2,468,301
	-	-	-	-

22. INCOME TAX EXPENSE *(Cont'd)*

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Excess of capital allowances claimed over corresponding accumulated depreciation	(1,553,927)	(1,399,699)
Excess of accumulated depreciation over corresponding capital allowances claimed	709,870	1,122,045
Unutilised capital allowances	4,397,877	3,386,160
Unabsorbed business losses	8,738,074	6,031,209
	12,291,894	9,139,715

23. STAFF COSTS

The staff costs recognised in profit or loss are as follows:

	Group		*Company*	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Salaries and wages	1,023,492	814,239	908,288	735,371
Defined contribution plan	108,207	78,269	102,145	78,269
Other employee benefits	158,850	145,317	157,991	131,799
Equity-settled share-based payment	(1,458,200)	3,070,200	(1,458,200)	3,070,200
	(167,651)	4,108,025	(289,776)	4,015,639
Included in staff costs are:				
Directors' remuneration:				
- fee	72,012	102,004	72,012	102,004
- Salaries and other emoluments	291,167	233,298	275,159	220,780

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

24. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per ordinary share

The basic earnings/(loss) per ordinary share as at 31 March 2017 is arrived at by dividing the Group's profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares outstanding and calculated as follows:

	Group	
	2017	**2016**
	RM	**RM**
Profit/(loss) attributable to the owners of the Company (RM)	2,146,647	(27,431,801)
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	866,711,600	866,711,600
Effect of new ordinary shares pursuant to private placement	72,462,639	-
Effect of new ordinary shares pursuant to the exercised of SIS	47,759,563	-
Weighted average number of ordinary shares at 31 March	986,933,802	866,711,600
Basic earnings/(loss) per share (sen)	0.22	(3.17)

(b) Diluted earnings per ordinary share

	Group	
	2017	**2016**
	RM	**RM**
Profit/(loss) attributable to the owners of the Company (RM)	2,146,647	(27,431,801)
Weighted average number of ordinary shares:		
Issued ordinary shares at 31 March	986,933,802	866,711,600
Effects of exercised of Warrants	393,888,400	393,888,400
Weighted average number of ordinary shares at 31 March	1,380,822,202	1,260,600,000
Diluted earnings per share (sen)	0.16	N/A

N/A: The diluted loss per share is not presented as the Warrants would be anti-dilutive since the exercise price is higher than the fair value of the Company's share.

25. ACQUISITION OF SUBSIDIARY COMPANY

(a) On 9 April 2015, the Company acquired the entire share capital of ASSB for a total cash consideration of RM2. Consequently, ASSB became a 100% owned subsidiary company of the Company.

(b) The fair values of the identifiable assets and liabilities of the subsidiary company acquired as at the date of acquisition were as follows :

	Acquiree's carrying amount and fair value recognised on acquisition 2016 RM
Cash and cash equivalents	2
Trade payables and accruals	(7,979)
Net identifiable liabilities	(7,977)
Group's share of net liabilities	(7,977)
Add: Goodwill on consolidation *(Note 6)*	7,979
Total purchase consideration	2
Less: Cash and cash equivalents acquired	(2)
Net cash flow on acquisition of subsidiary company	-

(c) The acquired subsidiary company has contributed the following results to the Group:-

	From 09.04.15, the date of acquisition to 31.03.2016 RM
Revenue	-
Other operating expenses	(32,253)
Loss before taxation	(32,253)
Income tax expense	-
Loss for the period	(32,253)

(d) If the acquisition took place at the beginning of the previous financial year, the management estimates that the consolidated revenue and consolidated loss after taxation for the year ended 31 March 2016 would have been RM9,518,186 and RM28,860,350 respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

26. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

i. The Company has a controlling related party relationships with its direct subsidiary companies as disclosed in *Note 7*;
ii. A company where a director of the Company is also the director; and
iii. The directors who are the key management personnel.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the year:

Transactions with related parties

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Rental paid to a company where a director of the Company is also a director	78,500	-	78,500	-
Proceeds from disposal of property, plant and equipment to a company where a director of the Company is also a director	15,900	-	-	-

(c) Compensation of key management personnel

Key management personnel includes the Company's and its subsidiary companies' Executive and Non-executive Directors and are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or of the Company either directly or indirectly.

26. RELATED PARTIES DISCLOSURES *(Cont'd)*

(c) Compensation of key management personnel *(Cont'd)*

The aggregate amounts of emoluments received and receivable by directors of the Company and of the subsidiary companies during the financial year are as follows:-

	Group		***Company***	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Short-term employee benefit expenses				
Executive Directors:-				
- salaries and other emoluments	256,905	189,240	240,897	189,240
Non-executive Directors:-				
- other emoluments	11,222	21,978	11,222	9,460
- fees	72,012	102,004	72,012	102,004
	340,139	313,222	324,131	300,704
Long-term employee benefit expenses				
Executive Directors:-				
- defined contribution plan	23,040	22,080	23,040	22,080
	363,179	335,302	347,171	322,784

Details of directors' emoluments of the Group and of the Company paid/payable for the financial year are as follows:-

	Group and Company	
	2017	**2016**
	RM	**RM**
Executive Directors:-		
RM50,000 and below	-	-
RM50,001 - RM150,000	2	2
Non-executive Directors:-		
RM50,000 and below	4	8

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

27. FINANCIAL INSTRUMENTS

The Group's and the Company's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and on the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policy seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's and the Company's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(a) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than RM. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The net unhedged financial assets and liabilities of the Group not denominated in RM were as follows:-

	Group **Australian Dollar**	
	2017	**2016**
	RM	**RM**
Financial assets		
Trade receivables	-	303,853
Marketable securities	718,384	677,890
Currency exposure	718,384	981,743

	United States Dollar	
	2017	**2016**
	RM	**RM**
Financial assets		
Marketable securities	1,881,600	741,088
Deposits	2,035,040	-
Financial liabilities		
Short-term borrowings	3,981,037	-
Currency exposure	(64,397)	741,088

27. FINANCIAL INSTRUMENTS *(Cont'd)*

(a) Financial Risk Management Policies *(Cont'd)*

(i) Market Risk (Cont'd)

(a) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	Group	
	2017	**2016**
	RM Increase/ (Decrease)	**RM Increase/ (Decrease)**
Effects on profit after tax/equity		
Strengthened by 10%		
- Australian Dollar	54,597	74,612
- United States Dollar	(4,894)	56,323
Weakened by 10%		
- Australian Dollar	(54,597)	(74,612)
- United States Dollar	4,894	(56,323)

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposures to interest rate risk arise mainly from interest bearing borrowings. The Group's and the Company's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

Interest Rate Risk Sensitivity Analysis

Floating Rate Instruments

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	Group	
	2017	**2016**
	RM Increase/ (Decrease)	**RM Increase/ (Decrease)**
Effects on profit after tax/equity		
Increase of 100 basis points (bp)	(401)	(136)
Decrease of 100 bp	401	136

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

27. FINANCIAL INSTRUMENTS *(Cont'd)*

(a) Financial Risk Management Policies *(Cont'd)*

(i) Market Risk (Cont'd)

(c) Equity Price Risk

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad and the quoted instruments in overseas are listed on the listing platforms overseas. These instruments are classified as fair value through profit or loss financial assets. The Group does not have exposure to commodity price risk.

Equity Price Risk Sensitivity Analysis

A 10% (2016: 10%) increase in the market price of the investment as at the end of the reporting period would have increased equity by RM4,634,036 (2016: RM2,974,705). A 10% (2016: 10%) decrease in market price would have had equal but opposite effect on equity.

(ii) Credit Risk

The Group's and the Company's exposures to credit risk, or the risk of counterparties defaulting, arise mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to Credit Risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

The credit risk with respect to trade and other receivables are managed through the application of credit approvals, credit limits and monitoring procedures. Credit is extended to the customers based upon careful evaluation of the customer's financial condition and credit history.

The Group's normal credit term is 30 days (2016: 30 days). Any other credit terms are assessed and approved by a case-by-case basis. Notwithstanding the credit terms granted to customers, it is the industry norm to begin counting the credit period from the first day of the immediate following month after sales transaction occurred, i.e. invoicing date.

The Group's major concentration of credit risk relates to amount owing by three (2016: two) customers constituting 100% (2016: 100%) of the outstanding trade receivables of Group as at reporting period.

27. FINANCIAL INSTRUMENTS *(Cont'd)*

(a) Financial Risk Management Policies *(Cont'd)*

(ii) *Credit Risk (Cont'd)*

Ageing Analysis

The ageing analysis of the Group's trade receivables at the reporting date is as follows:-

	Group Carrying amount 2017	Group Carrying amount 2016
	RM	RM
Not past due	860,224	762,044

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

(iii) *Liquidity Risk*

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding.

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group **2017**	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	Total RM
Trade payables	817,721	817,721	817,721	817,721
Other payables and accruals	567,585	567,585	567,585	567,585
Short-term borrowing	3,981,037	3,981,037	3,981,037	3,981,037
	5,366,343	5,366,343	5,366,343	5,366,343
2016	**RM**	**RM**	**RM**	**RM**
Trade payables	434,596	434,596	434,596	434,596
Other payables and accruals	384,080	384,080	384,080	384,080
	818,676	818,676	818,676	818,676

Company **2017**	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	Total RM
Other payables and accruals	289,647	289,647	289,647	289,647
2016	**RM**	**RM**	**RM**	**RM**
Other payables and accruals	245,948	245,948	245,948	245,948

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

27. FINANCIAL INSTRUMENTS *(Cont'd)*

(b) Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The Group's and the Company's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities less cash and cash equivalents.

The debt-to-equity ratio of the Group and of the Company as at the end of the financial year was as follows:

	Group		*Company*	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total liabilities	5,366,343	818,676	289,647	245,948
Less: Cash and cash equivalents	(194,334)	(96,364)	(79,956)	(50,945)
Net debt	5,172,009	722,312	209,691	195,003
Total equity attributable to owners of the Company	53,008,177	39,986,180	66,977,397	57,303,983
Debt-to-equity ratio	0.098	0.018	0.003	0.003

27. FINANCIAL INSTRUMENTS *(Cont'd)*

(c) Classification Of Financial Instruments

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Financial assets				
Loans and receivables				
Trade receivables	860,224	762,044	-	-
Other receivables and deposits	2,207,099	401,369	58,420	267,860
Amount owing by subsidiary companies	-	-	62,858,551	52,413,180
Cash and bank balances	194,334	96,364	79,956	50,945
	3,261,657	1,259,777	62,996,927	52,731,985
Fair value through profit or loss				
Marketable securities	46,340,355	29,747,055	-	-
Financial liabilities				
Other financial liabilities				
Trade payables	817,721	434,596	-	-
Other payables and accruals	567,585	384,080	289,647	245,948
Short-term borrowing	3,981,037	-	-	-
	5,366,343	818,676	289,647	245,948

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values due to the relatively short-term nature except for the marketable securities which are carried at fair value through profit or loss and other investments.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Other investments

It is not practicable to estimate the fair value of other investments (investment in unquoted shares) due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

27. FINANCIAL INSTRUMENTS *(Cont'd)*

(e) Fair Value Hierarchy

The fair value measurement hierarchies used to measure financial assets carried at fair value in the statements of financial position as at 31 March 2017 are as follows:

(i) Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

(ii) Level 2 fair value is estimated using inputs other than unquoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

(iii) Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

	Group	
	2017	**2016**
	RM	**RM**
Level 1		
Marketable securities	46,340,355	29,747,055

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 3 as at 31 March 2017.

28. OPERATING SEGMENTS

Operating segments are determined to be business segments as the Group's risks and returns are affected predominantly by differences in the products and services provided.

The amounts for investment holding activities and subsidiary companies which have ceased operations are classified as other non-reportable segments. These amounts are included in the reconciliation of the total reportable segment amounts to the consolidated financial statements.

The Group is organised into main business segments as follows:

(a) Technology incubation

Technology incubator, provision of management and strategic advisory services, research related activities and sale of machineries with the objective of commercialising technologies in bio-energy and biotechnology sectors.

(b) Portfolio investment

Portfolio investment in quoted and unquoted shares.

(c) Biotechnology products

Engineering, procurement and technology provision for biomass power plants as well as production and sale of microbial related products.

28. OPERATING SEGMENTS *(Cont'd)*

(d) Oil & gas services

Providing engineering and maintenance services specifically for the oil and gas sector.

During the financial year, the Executive Directors have revised the measurement and classification of the segments which resulted in a new segment namely oil and gas services being created.

Business Segment

Group	Technology incubation RM	Portfolio investment RM	Biotechnology products RM	Oil & gas services RM	Elimination RM	Total RM
2017						
Revenue						
Sales to external customers	12	4,875,944	35,100	442,996	-	5,354,052
Results						
Segment results	-	4,229,128	(687,892)	(176,967)	-	3,364,269
Interest expenses	-	(40,111)	-	-	-	(40,111)
Net unallocated expenses	-	-	-	-	-	(1,201,936)
Profit before taxation	-	-	-	-	-	2,122,222
Income tax expense	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	2,122,222
Assets						
Segment assets	3,606,433	49,122,472	3,958,937	124,975	-	56,812,817
Total assets	3,606,433	49,122,472	3,958,937	124,975	-	56,812,817
Liabilities						
Segment liabilities	303,942	4,814,328	244,918	3,155	-	5,366,343
Total liabilities	303,942	4,814,328	244,918	3,155	-	5,366,343
Other information						
Capital expenditure	26,305	-	-	-	-	26,305
Depreciation of property, plant and equipment	573,054	7,117	469,556	-	-	1,049,727
Bad debts written off	10,359	-	7,068	-	-	17,427
Fair value gain on marketable securities	-	(4,027,837)	-	-	-	(4,027,837)

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

28. OPERATING SEGMENTS *(Cont'd)*

Business Segment *(Cont'd)*

Group	Technology incubation RM	Portfolio investment RM	Biotechnology products RM	Elimination RM	Total RM
2016					
Revenue					
Sales to external customers	2,109,919	7,317,267	91,000	-	9,518,186
Results					
Segment results	(10,106,273)	(5,633,663)	(3,430,309)	-	(19,170,245)
Interest expenses			-	-	(13,572)
Net unallocated expenses	-	-	-	-	(9,644,280)
Profit before taxation	-	-	-	-	(28,828,097)
Income tax expense	-	-	-	-	-
Loss for the year	-	-	-	-	(28,828,097)
Assets					
Segment assets	29,418,033	5,461,167	4,388,378	-	39,267,578
Total assets	29,418,033	5,461,167	4,388,378	-	39,267,578
Liabilities					
Segment liabilities	259,043	451,679	107,954	-	818,676
Total liabilities	259,043	451,679	107,954	-	818,676
Other information					
Capital expenditures	52,571	-	225,017	-	277,588
Depreciation of property, plant and equipment	572,966	7,118	1,048,523	-	1,628,607
Property, plant and equipment written off	618	-	-	-	618
Fair value loss on marketable securities	10,093,957	2,886,061	-	-	12,960,018
Impairment losses on:					
- goodwill	1,595,768	-	-	-	1,595,768
- other investments	2,479,336	2,483,887	-	-	4,963,223
- property, plant and equipment	-	-	2,124,326	-	2,124,326

Major customers

Revenue from three (2016: two) major customers, with revenue equals to 100% (2016: 99%) of the Group's revenue, amounts to RM5,354,045 (2016: RM9,518,186).

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a) On 21 April 2016, the Company announced that an office copy of the sealed order of the High Court of Malaya confirming the par value reduction has been lodged with the Companies Commission of Malaysia and hence the par value reduction shall take effect and deemed completed. 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.

b) On 23 May 2016, the Company announced to fix the issue price of RM0.05 each for the Proposed Private Placement.

On 30 May 2016, the Company announced to re-fix the issue price of RM0.05 each for the Proposed Private Placement as the payment for the placement shares has not been received within five market days after the initial price-fixing date on 23 May 2016.

On 31 May 2016, the Company completed the Proposed Private Placement of 86,671,000 new ordinary shares at an issue price of RM0.05 each.

c) During the financial year, the Company announced that it has offered options under share issuance scheme as per the following tranche:

i. On 5 October 2016, the Company offered 2nd tranche of 120,000,000 options at exercise price of RM0.05 each to eligible employees. The options offered have accepted by the respective eligible employees on the same date.

ii. On 14 October 2016, the Company offered 3rd tranche of 40,000,000 options at exercise price of RM0.05 each to eligible employee. The options offered has accepted by the respective eligible employee on the same date.

d) During the financial year, the Company listing of new ordinary shares under share issuance scheme are as below:

i. On 28 October 2016, the Company announced the issued and paid-up share capital was increased from RM47,669,130 to RM51,669,130 by listing of 80,000,000 new ordinary shares at an issue price of RM0.05 each.

ii. On 30 November 2016, the Company announced the issued and paid-up share capital was increased from RM51,669,130 to RM53,669,130 by listing of 40,000,000 new ordinary shares at an issue price of RM0.05 each.

iii. On 30 March 2017, the Company announced the issued and paid-up share capital was increased from RM53,669,130 to RM56,005,130 by listing of 40,000,000 new ordinary shares at an issue price of RM0.05 each.

e) On 1 November 2016, the Company announced that AsiaBio Petroleum Sdn. Bhd. ("APSB"), a wholly-owned subsidiary company had 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. APSB and CORAL also agree that APSB shall be the preferred and independent contractor for the project which may be awarded by CORAL to APSB from time to time ("Project") for the duration of the Agreement.

NOTES TO **THE FINANCIAL STATEMENTS**
31 March 2017
(Cont'd)

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR *(Cont'd)*

f) On 19 December 2016, the Company entered into a Memorandum of Intent ("MOI") with Rangkain Iltizam Sdn. Bhd. ("RISB") to work together to extend the basis for commercial collaboration and co-operative exchanges between the Company and RISB. The scope of cooperation and collaboration includes:-

i. Biogas Energy Generation facilities;

ii. Organic Fertilizer production facilities;

iii. Organic Animal Feed production facilities; and

iv. Proprietary or contract farming of Sorghum

As at report date there was no material development on the status of the MOI since signing of the MOI.

g) On 15 February 2017, the Company announced that its wholly-owned subsidiary APSB had entered into a Memorandum of Intent ("MOI") with Acme Chemicals (Malaysia) Sdn. Bhd. ("ACME") and Sejahtera Bumisama Sdn. Bhd. ("SBSB") to cooperate and collaborate to set up an integrated chemical blending and warehousing facilities to be based in Bintulu to specifically target multi-national well service companies supplying oilfield chemicals to Oil & Gas companies operating in Malaysia, which may include production chemicals, well stimulation and cementing chemicals, and drilling fluids ("Toll Blending business") and to establish collaboration and explore opportunities to develop, support, implement plans and undertake activities to establish the Toll Blending business that is beneficial to APSB, ACME and SBSB. As at report date there was no material development on the status of the MOI since singing of the MOI.

30. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

a) After the financial year, the Company announced that it has offered options under share issuance scheme as per the following tranche:

i. On 4 April 2017, the Company offered 4th tranche of 43,000,000 options at exercise price of RM0.05 each to eligible employee. The options offered has accepted by the respective eligible employee on the same date.

ii. On 17 May 2017, the Company offered 5th tranche of 83,000,000 options at exercise price of RM0.055 each to eligible employees. The options offered have accepted by the respective eligible employees on the same date. Pursuant to the share consolidation, the 83,000,000 options offered had been adjusted to 27,665,500.

b) After the financial year, the Company listing of new ordinary shares under share issuance scheme are as below:

i. On 5 May 2017, the Company announced the issued and paid-up share capital was increased from RM55,669,130 to RM57,819,130 by listing of 43,000,000 new ordinary shares at an issue price of RM0.05 each.

ii. On 8 June 2017, the Company announced the issued and paid-up share capital was increased from RM57,819,130 to RM62,383,937.50 by listing of 27,665,500 new ordinary shares at an issue price of RM0.055 each.

30. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD *(Cont'd)*

c) On 17 April 2017, the Company announced the proposal to undertake the consolidation of every 3 ordinary shares in the Company ("ABT Shares") into 1 ABT Share ("Proposed Share Consolidation").

On 27 April 2017 and 19 May 2017, the Company had granted approval from Bursa Malaysia Securities Berhad and shareholders respectively for the proposed Share Consolidation.

On 6 June 2017, the Company announced that on 5 June 2017 had issued 385,459,275 Consolidated Shares to the Shareholders, adjusted number of 131,295,625 Warrants A to the holders of outstanding Warrants A and the Proposed Share Consolidation had been completed by following the listing and quotation of the Consolidated Shares and Consolidated Warrants A on the ACE Market of Bursa Securities.

d) On 23 May 2017, the Company entered into an agreement to dispose of 19% equity interest of Yellow Choice Sdn. Bhd. Comprising 19,000 ordinary shares for a total consideration of RM 40,000.

e) On 1 June 2017, the Company announced that the Company and its wholly-owned subsidiary company, APSB, had acquired one (1) ordinary share representing 100% of the share capital of Goodwill Selected Sdn. Bhd. ("GSSB") and Matrix Concord Sdn. Bhd. ("MCSB") for a total cash consideration of RM2 (RM1 each company) respectively. Subsequent to the acquisitions, GSSB shall become the wholly owned subsidiary company of the Company and MCSB shall become the wholly owned subsidiary company of APSB.

f) On 5 June 2017, the Company announced that its wholly-owned subsidiary AsiaBio Capital Sdn. Bhd. ("ACSB") had on 3 June 2017 entered into a Memorandum of Understanding ("MOU") with Hong Kong YRZC International Group Co Ltd, Shan Xi Hong Hui Food Limited Liability Co and Shan Dong Wang Jia Yuan Zi Halal Food Brewing Co Ltd. to form a collaboration between Malaysia and China to produce and export Halal-certified food products to global marketplace.

g) On 8 June 2017, the Company announced that its wholly-owned subsidiary company, APSB has on 7 June 2017 received a letter of award ("LOA") from Tenisha Construction Sdn. Bhd. for the subcontracting work involving the design, erect, inspect, maintain and dismantle of scaffolding systems for the Utilities, Interconnecting, Office site (UIO) Facilities. The contract value is expected to be on a unit rate basis as set in the LOA for works carrying RM220 million in total estimated value over a thirty (30) months period.

h) On 18 June 2017, the Company announced to acquire the entire share of a shelf limited company incorporated in British Virgin Islands known as Perfect Power Group Limited on 16 June 2017 at a total consideration of USD100.00 (US Dollar One Hundred), equivalent to RM427.85 (Ringgit Malaysia Four Hundred Twenty Seven and Sen Eighty Five).

31. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 5 July 2017 by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017
(Cont'd)

SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS/ (ACCUMULATED LOSSES) INTO REALISED AND UNREALISED

The breakdown of the retained earnings/(accumulated losses) of the Group and the Company at the end of reporting period into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		*Company*	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total (accumulated losses)/retained profits of the Group and of the Company				
- Realised	(9,913,232)	(53,912,834)	11,308,267	(29,367,177)
- Unrealised	(1,967,706)	(3,425,906)	(1,967,706)	(3,425,906)
Less: Consolidation adjustments	7,252,279	7,227,854	-	-
(Accumulated losses)/retained profits of the Group and of the Company	(4,628,659)	(50,110,886)	9,340,561	(32,793,083)

ANALYSIS OF SHAREHOLDINGS
As at 30 June 2017

Issued and Paid-Up Share Capital	:	RM62,383,937.50 comprising of 413,124,775 ordinary shares#
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

 # The issued and paid-up share capital of the Company prior to the share consolidation, which was completed on 6 June 2017, was RM57,819,130.00 comprising of 1,156,382,600 ordinary shares.

Analysis of Shareholdings

Size of Holdings	No. of shareholders	% of shareholders	No. of shares held	% of shareholdings
1 – 99	758	15.87	37,243	0.01
100 – 1,000	328	6.87	133,962	0.03
1,001 – 10,000	1,137	23.81	6,569,955	1.60
10,001 – 100,000	2,048	42.88	79,524,703	19.25
100,001 – 20,656,237*	504	10.55	295,692,246	71.57
20,656,238 and above**	1	0.02	31,166,666	7.54
TOTAL	**4,776**	**100.00**	**413,124,775**	**100.00**

Note:
* *less than 5 % of issued shares*
** *5% and above of issued shares*

List of Directors' Shareholdings

	Direct		Deemed	
	No. of Shares	%	No. of Shares	%
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
Ong Tee Kein	-	-	-	-
Leung Kok Keong	333,350	0.08	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-
Chu Chee Peng	-	-	-	-
Tan Sik Eek	333,333	0.08	-	-

List of Substantial Shareholders (based on Register of Substantial Shareholders)

	Direct		Deemed	
	No. of Shares	%	No. of Shares	%
CPE Growth Capital Limited	31,166,666	7.54	-	-
Adamas Finance Asia Limited	-	-	16,666,666	4.03
Pelaburan MARA Berhad	27,999,999	6.78	-	-

Note:
(ii) Deemed interest by virtue of the shareholdings in CPE Growth Capital Limited

ANALYSIS OF **SHAREHOLDINGS**
As at 30 June 2017
(Cont'd)

List of Top 30 Shareholders

	Name	No. of shares held	Percentage (%)
1	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An for KGI Asia Ltd	31,166,666	7.544
2	Pelaburan MARA Berhad	16,107,966	3.899
3	Citigroup Nominees (Asing) Sdn. Bhd. UBS AG for Maybank Kim Eng Securities Pte Ltd	14,964,000	3.622
4	M & A Nominee (Tempatan) Sdn. Bhd. Sanston Financial Group Limited for Ee Song Jian	11,200,000	2.711
5	LVZU Group Sdn. Bhd.	9,818,166	2.376
6	Pelaburan MARA Berhad	8,558,700	2.071
7	M & A Nominee (Tempatan) Sdn. Bhd. Sanston Financial Group Limited for Melvin Rohan Padmanathan	6,701,100	1.622
8	SJ Sec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ee Song Jian (SJ10)	6,632,233	1.605
9	SJ Sec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Melvin Rohan Padmanathan (SJ10)	6,632,233	1.605
10	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Carmen Quah	5,500,000	1.331
11	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Helen Poon	5,170,000	1.251
12	M & A Nominee (Tempatan) Sdn. Bhd. Sanston Financial Group Limited for Lai Pui Guan	4,833,300	1.169
13	HLIB Nominees (Tempatan) Sdn. Bhd. Hong Leong Bank Bhd for Ho Ah Chai	4,350,000	1.052
14	Ng Yoke Hin	4,023,033	0.973
15	Platimas Sdn. Bhd.	3,751,388	0.908
16	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Yee Voon	3,595,400	0.870
17	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Lian Hong (8092237)	3,499,966	0.847
18	Pelaburan MARA Berhad	3,333,333	0.806
19	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kian Huat	2,750,000	0.665
20	Lee Lai Yeng	2,510,000	0.607
21	MY Glory Capital Sdn. Bhd.	2,445,866	0.592
22	Cheah Kean Guan	2,350,000	0.568
23	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Soon Tiang	2,260,000	0.547
24	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Joo Bay (Margin)	2,200,000	0.532
25	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Tze Jin	2,100,000	0.508
26	Teng Hea Chin @ Christine Teng	2,100,000	0.508
27	Matheswaran Rajagopal	2,033,333	0.492
28	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	2,001,000	0.484
29	Kenanga Nominees (Asing) Sdn. Bhd. Monex Boom Securities (HK) Limited for Pinnacle Funds Management Pty Ltd	2,000,000	0.484
30	Tan Tiam Yee	2,000,000	0.484
	TOTAL	**176,587,683**	**42.744**

ANALYSIS OF WARRANTHOLDINGS
As at 30 June 2017

Types of Securities	:	Warrants
Total Number of Warrants Issued	:	140,066,666#
Total Number of Outstanding Warrants	:	131,295,625
Exercise Price	:	RM0.30 per warrant

#The total number of warrants issued prior to the share consolidation, which was completed on 6 June 2017, was 420,200,000.

Analysis of Warrantholdings

Size of Holdings	No. of warrantholders	% of warrantholders	No. of warrants held	% of warrantholdings
1 – 99	78	5.36	3,522	0.00
100 – 1,000	35	2.40	18,366	0.01
1,001 – 10,000	283	19.42	1,706,653	1.30
10,001 – 100,000	811	55.66	35,120,925	26.75
100,001 – 6,564,780*	250	17.16	94,446,159	71.94
6,564,781 and above**	0	0.00	0	0.00
TOTAL	**1,457**	**100.00**	**131,295,625**	**100.00**

Note:
* *less than 5% of issued warrants*
** *5% and above of issued warrants*

List of Directors' Warrantholdings

	Direct		Deemed	
	No. of Warrants	**%**	**No. of Warrants**	**%**
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
Ong Tee Kein	-	-	-	-
Leung Kok Keong	-	-	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-
Chu Chee Peng	-	-	-	-
Tan Sik Eek	-	-	-	-

ANALYSIS OF **WARRANTHOLDINGS**
As at 30 June 2017
(Cont'd)

List of Top 30 Warrantholders

	Name	No. of warrants held	Percentage (%)
1	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Pheng Kuen	3,886,600	2.960
2	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leou Thiam Lai (M09)	3,700,000	2.818
3	Cheng Lee King	2,300,000	1.751
4	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Ann Gee	2,158,900	1.644
5	Low Choon Nam	2,000,000	1.523
6	Liew Lang King	1,750,666	1.333
7	Teng Pok Sang @ Teng Fook Sang	1,562,466	1.190
8	Son Kat Pee @ Soin Kat Pee	1,516,666	1.155
9	Adrian Quah	1,500,000	1.142
10	Lam Chee Meng	1,500,000	1.142
11	Tan Chin Kang	1,483,400	1.129
12	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for R Kogilavani (029)	1,333,333	1.015
13	Kong Oon Chee	1,290,733	0.983
14	Yong Gim Beng	1,200,000	0.913
15	Toh Ah Hai	1,190,500	0.906
16	Chew Jee Sheng	1,188,733	0.905
17	Maybank Nominees (Tempatan) Sdn. Bhd. Lam Choy Choo	1,060,000	0.807
18	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Le Hock Hin (6000381)	1,000,000	0.761
19	HLIB Nominees (Tempatan) Sdn. Bhd. Hong Leong Bank Bhd for Ho Ah Chai	1,000,000	0.761
20	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wan Mohd Zahari Bin Wan Embong (REM 133-MARGIN)	1,000,000	0.761
21	Ng Chiew Peng	1,000,000	0.761
22	Cha Weay Chia	900,000	0.685
23	Wong Kwai Cho	762,000	0.580
24	Leong Chee Kee	733,333	0.558
25	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hing Miew Kiang (E-SKC)	733,333	0.558
26	Lau Fui Seng	723,333	0.550
27	Maybank Nominees (Tempatan) Sdn. Bhd. Teoh Lee Peng	700,000	0.533
28	Ooi Leng Hwa	700,000	0.533
29	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chan Lam Sang @ Chan Lam	690,666	0.526
30	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ho Ah Chai	666,666	0.507
	TOTAL	**41,231,328**	**31.403**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting ("AGM") of the Company will be held at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 August 2017 at 11.00 a.m. for the purpose of considering the following businesses:-

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Reports of the Directors and the Auditors thereon.	**(Please refer to Explanatory Note 1)**
2.	To re-elect YM Tengku Ahmad Badli Shah Bin Raja Hussin, a Director who is retiring in accordance with Article 69 of the Company's Constitution.	**Ordinary Resolution 1**
3.	To re-elect Mr Leung Kok Keong, a Director who is retiring in accordance with Article 69 of the Company's Constitution.	**Ordinary Resolution 2**
4.	To approve the payment of Directors' fees of RM72,012 for the financial year ended 31 March 2017.	**Ordinary Resolution 3**
5.	To approve the payment of Directors' Remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries amounting to RM495,040 for the financial period from 1 February 2017 until the next AGM.	**Ordinary Resolution 4**
6.	To re-appoint Messrs. Siew Boon Yeong & Associates as the Auditors of the Company and to authorise the Directors to determine their remuneration for the ensuing year.	**Ordinary Resolution 5**

As Special Business

7. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

   Authority to Issue Shares — **Ordinary Resolution 6**

   "THAT subject always to the Companies Act, 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 & 76 of the Companies Act, 2016 to issue and allot not more than ten percent (10%) of the issued capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

LEUNG KOK KEONG (MIA 8109)
LIM LEE KUAN (MAICSA 7017753)
NG SALLY (MAICSA 7060343)
Company Secretaries

28 July 2017
Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

Notes:

1. *For the purpose of determining a member who shall entitle to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 50(f) of the Company's Constitution to issue a General Meeting Record of Depositors as at 16 August 2017. Only depositor whose name appears on the Record of Depositors as at 16 August 2017 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.*

2. *Each member entitled to attend and vote in person may appoint up to two (2) proxies or attorneys or authorised representatives to attend and vote in its stead.*

3. *A proxy may but need not be a Member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*

4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of such Securities Account.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples beneficial owners in one (1) Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

6. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

7. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting, i.e. before 11.00 a.m., Monday, 21 August 2017, or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.*

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

(i) Item 1 of the Agenda

This agenda item is meant for discussion only, as the provision of Section 248(1) and Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(ii) Items 4 & 5 of the Agenda

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Tenth AGM on the Directors' remuneration in two (2) separate resolutions as below:-

- Resolution 3 on payment of Directors' fees for the financial year ended 31 March 2017; and
- Resolution 4 on payment of Directors' remuneration (excluding Directors' fees) for the financial period from 1 February 2017 until the next AGM ("Relevant Period").

The payment of the Directors' Fees for the financial year ended 31 March 2017 will only be made if the proposed Resolution 3 has been passed at the Tenth AGM pursuant to Article 76 of the Company's Constitution and Section 230(1) of the Act.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS: *(Cont'd)*

(ii) Items 4 & 5 of the Agenda *(Cont'd)*

The Directors' remuneration (excluding Directors' Fees) comprises the allowances and other emoluments payable to the Board of the Company and its subsidiaries as follows:-

	Executive Directors (RM'000)	Independent Non-Executive Directors (RM'000)	Non-Independent Non-Executive Directors (RM'000)	Total (RM'000)
Meeting allowance	7	11	3	21
Other Benefits & Emolument	467	7	NIL	474
Total	474	18	3	495

The estimated total amount of remuneration (excluding Directors' Fees) for the Relevant Period of RM495,040 were determined based on the various factors including the number of scheduled meetings for the Board and Board Committees as well as the extend of involvement of the respective Directors.

Payment of Directors' Remuneration (excluding Directors' Fees) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Resolution 4 has been passed at the Tenth AGM. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the financial period from 1 February 2017 until the next AGM.

(iii) Item 7 of the Agenda

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

This is the renewal of mandate obtained from the shareholders at the last AGM held on 24 August 2016 ("the Previous Mandate").

The Company has not issued any new shares under the Previous Mandate which was approved at the last AGM which will lapse at the conclusion of the Tenth AGM to be held on 23 August 2017. Accordingly, no proceeds were raised at this juncture.

The purposes of this general mandate is for further possible fund raising exercises including but not limited to placement of shares for purpose of funding the Group's technology incubation fund, current and/or future investment projects, working capital, repayment of borrowings and/or acquisition.

ASIABIO GROUP

ASIA BIOENERGY TECHNOLOGIES BERHAD
Company No. (774628-U)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of shares held

I/We, ………Tel. No.: ………
[Full name in block and NRIC No. / Company No.]

of ………
[Address]

………
being a member/members of **Asia Bioenergy Technologies Berhad**, hereby appoint:-

Full Name (in Block)	**NRIC/Passport/Company No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Full Name (in Block)	**NRIC/Passport/Company No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him, the Chairman of the meeting as my/our proxy to attend and to vote for me/us on my/our behalf and, if necessary, to demand for a poll at the Tenth Annual General Meeting of the Company to be held at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 August 2017 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:-

Item	Agenda	Resolution	FOR	AGAINST
1.	Re-election of YM Tengku Ahmad Badli Shah Bin Raja Hussin as Director	Ordinary Resolution 1		
2.	Re-election of Mr Leung Kok Keong as Director	Ordinary Resolution 2		
3.	Payment of Directors' fees	Ordinary Resolution 3		
4.	Payment of Directors' Remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries	Ordinary Resolution 4		
5.	Re-appointment of Auditors	Ordinary Resolution 5		
6.	Authority to Issue Shares	Ordinary Resolution 6		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this ……………………………………

……………………………………………………
Signature of Shareholder(s)/Common Seal

Notes:

1. *For the purpose of determining a member who shall entitle to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 50(f) of the Company's Constitution to issue a General Meeting Record of Depositors as at 16 August 2017. Only depositor whose name appears on the Record of Depositors as at 16 August 2017 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.*
2. *Each member entitled to attend and vote in person may appoint up to two (2) proxies or attorneys or authorised representatives to attend and vote in its stead.*
3. *A proxy may but need not be a Member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of such Securities Account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples beneficial owners in one (1) Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
6. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
7. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting, i.e. before 11.00 a.m., Monday, 21 August 2017, or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.*

Fold this Flap For Sealing

Then Fold Here

AFFIX
STAMP

ASIA BIOENERGY TECHNOLOGIES BERHAD **(774628-U)**
c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st Fold Here

ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)

10th Floor, Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur

Tel No. : +603-2382 4288
Fax No. : +603-2382 4170

@AsiaBioGroup
@AsiaBioGroup

Scan the QR Code
to add me on
WeChat

www.asiabio.com.my