www.asiabio.com.my

Asia Bioenergy Technologies Berhad (774628-U)

B-11-10, Level 11, Megan Avenue II,
Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

T : 603-2166 9718
F : 603-2166 9728

ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)

ANNUAL REPORT 2014

ASIABIO
GROUP

ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)

Annual Report 2014

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Company's Background

Asia Bioenergy Group was formed by a group of professionals from engineering, investment banking and finance industry as a think tank and holding company to embark on nurturing intelligent and innovative ideas into viable businesses that can transcend borders and more importantly, grow in value.

We stand out as a technology incubator that has the capability of taking or generating business ideas from conceptual stage, building it up to a fully operating business that is supported by the necessary business networks, technological know how and finances. We are helmed by strategists and technology experts that assist in reviewing, conceptualizing and developing ideas or technologies.

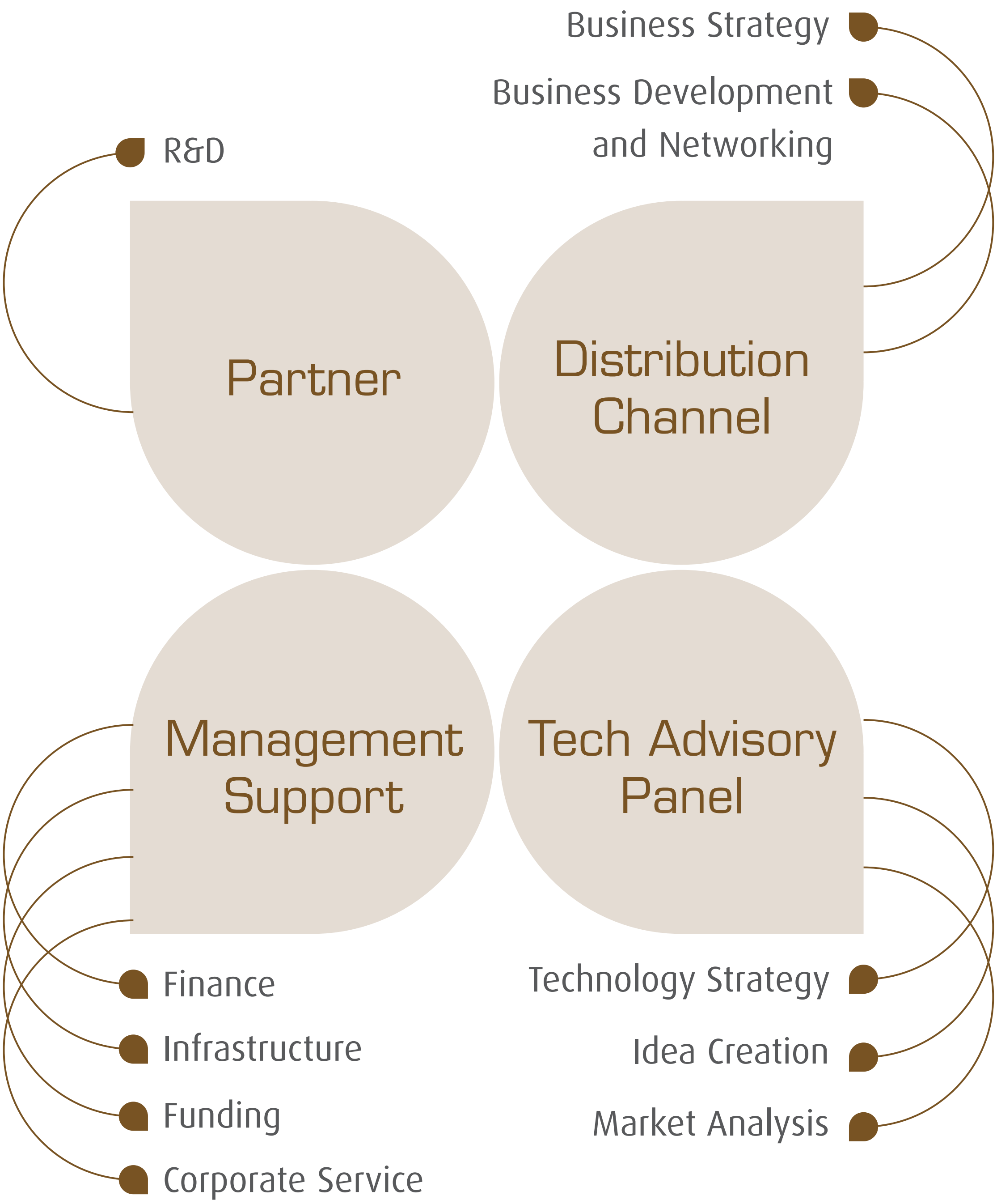
Our investee or incubatee companies are given a wide range of services, such as research, finance, corporate and coupled with our active role in strategizing, cross selling and taking part in the day-to-day management of the companies, we offer the best platform for businesses and technologies to flourish into world challengers.

Throughout the years, our incubation focus have been on Bioenergy and Biotechnology.

ASIABIO GROUP
ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)

Value Chain

ASIABIO GROUP
ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)



Corporate Information

BOARD OF DIRECTORS

Y.B. DATUK NUR JAZLAN BIN TAN SRI MOHAMED
Independent Non-Executive Chairman

TAN SIK EEK
Non-Independent Executive Director

LOOI KEM LOONG
Non-Independent Executive Director

HEW TZE KOK
Senior Independent Non-Executive Director

LIM FOO SENG
Independent Non-Executive Director

AUDIT COMMITTEE

Lim Foo Seng
Chairman

Datuk Nur Jazlan Bin Tan Sri Mohamed

Hew Tze Kok

REMUNERATION COMMITTEE

Datuk Nur Jazlan Bin Tan Sri Mohamed
Chairman

Lim Foo Seng

Hew Tze Kok

NOMINATION COMMITTEE

Hew Tze Kok
Chairman

Datuk Nur Jazlan Bin Tan Sri Mohamed

Lim Foo Seng

REGISTERED OFFICE

B-11-10 Level 11 Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No. : +603-2166 9718
Fax No. : +603-2166 9728

PRINCIPAL PLACE OF BUSINESS

68 Jalan Waja 2,
Taman Industri Waja,
09000 Kulim Kedah
Tel No. : +604-402 6350
Fax No. : +604-489 3833
Email : mail@asiabio.com.my

COMPANY SECRETARIES

Wong Wei Fong *(MAICSA 7006751)*

Loh Woan Fen *(MIA 18335)*

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

REGISTRAR

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : +603-2264 3883
Fax No. : +603-2282 1886

PRINCIPAL BANKER

Malayan Banking Berhad

LISTING STATUS

ACE Market Of Bursa Malaysia Securities Berhad

WEBSITE

http://www.asiabio.com.my

Chairman's Letter to Shareholders

Dear Valued Shareholders,

On behalf of the Board of Directors and the Management of Asia Bioenergy Technologies Berhad ("AsiaBio"), I wish to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 January 2014.

BUSINESS REVIEW

The financial year 2014 saw the Group starting to recover from the previous write down of its biofuels investments. With Europe still lingering from a financial crisis and regional economic prospects still doubtful, the Group continued to focus on its basic core of "green" technologies.

In the financial year, the Group registered a much smaller loss of RM0.7 million compared to prior year. In the financial year, the Group completed its disposal of Platinum Nanochem Sdn Bhd ("PNSB") to Biofutures International PLC, pursuant to its listing in AIM, London. This resulted in a gain of some RM4.8 million in the financial year ended 2014 with another RM1.9 million deferred income to be recognized upon shareholders ratification for the proposal, which was duly obtained in the financial year ending 2015. Nonetheless, some further write-down of its non-core assets and its biofuel investments continued to hamper the bottomline of the Group.

Suffice to say, the Group has shown prospective signs of recovery amid regional and world economic woes where investment values were dampened.

INDUSTRY REVIEW AND PROSPECTS

While the Kyoto Protocol was extended, no definite terms was decided on its future implementation, hence the doubt on palm oil biodiesel going forward, which is the mainstay of renewables fuel in Malaysia. Hence, local demand and government support is important going forward.

The Group's "Green" projects the likes of conversion of old palm trunks to lumber and blockboard as well as its microbial initiative is anticipated to yield in the medium term as these new initiatives uses biomass, a low cost raw material that is not susceptible to fluctuating commodity prices but yet command a market niche on its own, hence its ability to compete effectively in the marketplace without government subsidies.

All in all, whilst short term prospects remain challenging, the Board opines that long term outlook is positive especially with regional governments like Malaysia supporting the "green" initiatives such as the push by Sustainable Energy Development Authority.

Chairman's
Letter to Shareholders
cont'd

STRATEGY FORWARD

With these in mind, the Board has made a cognitive decision to concentrate "green" initiatives especially those that boasts of low production costing and with ready demand for end product.

On this note, the Group, via Nexfuel Limited have secured the licensing for Cool Planet's technology that boasts of the ability to produce high octane RON105 gasoline using biomass raw materials. Cool Planet, with their strong stakeholder base the likes of BP, Google Ventures, Energy Technology Ventures (GE, ConocoPhillips, NRG Energy), and the Constellation division of Exelon, pose an interesting development for the Group in the long term.

The Group is also expanding its geographical reach as it leverage on the network of its single largest shareholder, China Private Equity for opportunities in Hong Kong and China.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I wish to extend my sincere gratitude and appreciation to you, our stakeholders, for your continued support, current management and staff for their hard work, dedication and innovation, and to my fellow directors for your unwavering support. On behalf of the Board and Management, I would also like to take this opportunity to thank our collaboration and technology partners, our customers and business associates for their continuing support to the Group.

Sincerely Yours,

DATUK NUR JAZLAN BIN TAN SRI MOHAMED
Chairman

Y.B. DATUK NUR JAZLAN BIN TAN SRI MOHAMED
Malaysian, 48 years old
Independent Non-Executive Chairman

Datuk Jazlan is the Independent Chairman of Asia Bioenergy Technologies Berhad ("ABT" or "the Company"), appointed on 31 October 2013. Datuk Jazlan is a graduate with a Degree in Accounting from South Bank Polytechnic, United Kingdom and is a Fellow Member of the Association of Chartered Certified Accountants.

Datuk Jazlan is the Chief of UMNO Pulai, Johor and also Chairman of Barisan Nasional for the division since 2003. He was an EXCO Member of UMNO Youth from 1996 until 2004. He is a third term Member of Parliament for Pulai and was re-elected as a Member of Parliament in the recent general election held on 5 May 2013. He is also the Chairman of the Public Accounts Committee (PAC).

Datuk Jazlan also has wide corporate experience since the 1990s. He was appointed Chairman of UDA Holdings Berhad on 16 June 2010 and also sits on the Board of several other private limited companies. He was a Director of Prinsiptek Corporation Berhad, Jaycorp Berhad, Telekom Malaysia Berhad and Penang Port Sdn Bhd.

He currently do not hold any shares in ABT. He is currently a Director of TSH Resources Berhad, Ekowood International Berhad and United Malayan Land Bhd. He is also the Chairman of the Remuneration Committee and member of the Audit Committee and Nomination Committee. He does not have any family relationship with any Director or substantial shareholder of the Company and has not been convicted of any offences within the past 10 years other than traffic offences and has no conflict of interest with ABT.

TAN SIK EEK
Malaysian, 38 years old
Non-Independent Executive Director

Tan Sik Eek ("Steve") is an Executive Director of ABT appointed on 20 June 2013. Steve is the appointed representative of China Private Equity Investment Holdings Limited's in ABT, Steve majored in Economics and Political Science from the University of Sydney.

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 specializing 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 does not hold any shares in ABT but he represents CPE Growth Capital Limited, a subsidiary of China Private Equity Investment Holdings Limited that holds 93,500,000 direct shares in ABT. He is also a Director of Patimas Computers Berhad. He does not have any family relationship with any Director or substantial shareholder of the Company and has not been convicted of any offences within the past 10 years other than traffic offences and has no conflict of interest with ABT.

LOOI KEM LOONG
Malaysian, 39 years old
Non-Independent Executive Director

Looi Kem Loong is an Executive Director of ABT, appointed on 7 March 2012. A graduate from the University of Strathclyde, Scotland, Looi is a member of both the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants.

Having completed his articleship with an internationally affiliated audit firm wherein he gained valuable financial experience especially in special corporate assignments and group consolidations, he joined the corporate finance department of AmMerchant Bank Berhad until he left as manager to join Newfields Advisors Sdn. Bhd. ("Newfields"), an investment advisory company as Vice President. He was a founding member of ABT Group in 2006 before taking a step back from operations into a non-executive position in early 2011 and resigning in late 2011 for personal reasons, before returning in 2012.

He has extensive corporate finance experience covering activities such as initial public offerings, cross-border restructurings, debt restructurings and other corporate proposals for public listed companies.

He currently holds negligible (733 shares) direct interest and 7.31% (61,408,666 shares) indirect interest in ABT. He is not a Director of any other public company. He does not have any family relationship with any Director or substantial shareholder of the Company and has not been convicted of any offences within the past 10 years other than traffic offences and has no conflict of interest with ABT.

Profile of Directors

cont'd

HEW TZE KOK
Malaysian, 37 years old
Senior Independent Non-Executive Director

Hew Tze Kok is an Independent Non-Executive Director of ABT, appointed on 20 June 2013. Mr Hew is a fellow member of the Association of Chartered Certified Accountants ("FCCA").

He started his career path by practicing in accounting firms, namely Wong Yew Seng & Co and BDO Binder for approximately 7 years. Thereafter, he served the Securities Commission Malaysia ("SC") for approximately 5 years in the area of enforcement of securities law. He was then appointed as an Investigating Officer of the SC with a ranking of Senior Manager. Subsequent to that, he joined KPMG Forensic Investigation Services as an Associate Director.

He is also the Chairman of Nomination Committee and member of the Audit Committee and Remuneration Committee.

He does not hold any shares in ABT. He is currently a Director of XOX Berhad. He does not have any family relationship with any Director or substantial shareholder of the Company and has not been convicted of any offences within the past 10 years other than traffic offences and has no conflict of interest with ABT.

LIM FOO SENG
Malaysian, 44 years old
Independent Non-Executive Director

Lim Foo Seng, Gary, is an Independent Non-Executive Director of ABT appointed on 7 March 2012. He is a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. He has more than 23 years of experience in the finance and corporate sectors. From 1989 to 1995, he served in an international accounting firm, Deloitte Kassim Chan, where he acquired considerable knowledge, experience and exposure in management consultancy, taxation & accounting and auditing standards.

From 1995 till 2003, he has worked with Arab-Malaysian Corporation Berhad Group ("Amcorp Group") where he played a key role in the business & strategic planning, venture capital activities, corporate investments, corporate audit, corporate restructuring, general management and monitoring of portfolio companies involved in various diversified businesses such as retail, mall management, radio broadcasting, point of sales advertisement, bonded warehouse, magazine publication, IT and manufacturing, in his capacity as Associate Director.

He also served as a board member of various portfolio companies of Amcorp Group. He left Amcorp Group in 2003 where his last position with Amcorp Group was Chief Financial Officer of MCM Technologies Berhad, an IT incubator and a subsidiary of Amcorp that was listed on the ACE Market of Bursa Malaysia Securities Berhad in which he played an instrumental role in its initial public offering.

From 2003 to 2010, he held various senior management positions and served as a board member of various established private limited and public listed companies in Malaysia. From 2011 till 2013, he joined Aivoria Group Sdn Bhd as Executive Director, Group Strategic Planning.

He has negligible (50) ordinary shares in ABT. He also sits on the Board of Tebrau Teguh Berhad and Knusford Berhad. He is the Chairman of the Audit Committee and member of the Remuneration Committee and Nomination Committee. He does not have any family relationship with any Director or substantial shareholder of the Company and has not been convicted of any offences within the past 10 years other than traffic offences and has no conflict of interest with ABT.

Statement on
Corporate Governance

The Board of Asia Bioenergy Technologies Berhad (the "Company") recognises 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 ("MCCG 2012") and observed the 26 Recommendations supporting the Principles during the financial year following the release of the MCCG 2012 by the Securities Commission of Malaysia in late March 2012. Where a specific Recommendation of the MCCG 2012 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 Board should 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. 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 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. As at the end of the financial year under review, the Board Charter had not been made publicly available. Nonetheless, steps have been taken to upload the salient features of the Charter on the Company's website at www.asiabio.com.my in line with Recommendation 1.7 of the MCCG 2012.

To assist the Board in fulfilling its duties and responsibilities, the Board has established the Audit Committee, Nomination Committee and Remuneration Committee. Each committee is tasked with specific functions to operate within its terms of reference, which are included in the Charter. The ultimate responsibility for decision making, however, lies with the Board.

1.2 Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions

<u>Reviewing and adopting a strategic plan for the Company</u>

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.

<u>Overseeing the conduct of the Company's business</u>

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 are 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.

Principle 1 – Establish clear roles and responsibilities *cont'd*

1.2 Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions *cont'd*

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

The Company formed a Group internal audit division ("GIA"), which is assisted by an external service provider as and when required, to assist the Board in establishing an Enterprise Risk Management framework for the Group, formalizing, 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 programmes 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 a Senior Independent Director to whom the shareholders can communicate with on matters regarding the Company.

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 in place a Code of Conduct. The Board understands the importance of having a Code of Conduct for the Directors and employees. The Board has taken steps to upload a summary of the Code of Conduct in the Company's website.

Meanwhile, the Board has 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.

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. 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.

Principle 1 – Establish clear roles and responsibilities *cont'd*

1.5 Procedures to allow Directors access to information and advice

The Company's Board 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.

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.

1.7 Formalise periodically review and make public the Board Charter

A copy of the Board Charter has been published in the Company's website. The Board 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 Board 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 met once in year 2013 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. The Board has identified Mr. Hew Tze Kok as the Senior Independent Director and who is the Chairman of the Nomination Committee to deal with any concern from the shareholders.

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, the Nomination Committee had met once to perform the annual assessment of the Board, Committees and individual directors. The Nomination Committee also has met with the proposed Directors prior to their appointment as the Directors of the Company. It has also assessed the proposed Directors before recommending the same for the approval of the Board.

Statement on Corporate Governance
cont'd

Principle 2 – Strengthen composition *cont'd*

2.2 Nomination Committee should 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.

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 in accordance with the Articles of Association 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.

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 144 or 145 of the Companies Act, 1965, the Nomination Committee would still carry out its duties if permitted by the requisitionists.

The Board currently consists of five (5) members of which none is a female Director. The Board is satisfied with the contribution of each member of the Board through the annual assessment by the Nomination Committee. 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 by year 2016.

Principle 2 – Strengthen composition *cont'd*

2.2 Nomination Committee should develop, maintain and review criteria for recruitment process and annual assessment of directors *cont'd*

The attendance of the Board Committee members for the financial year ended 31 January 2014:-

Directors	Audit Committee	Nomination Committee	Remuneration Committee
Lim Foo Seng	4/4	1/1	1/1
Datuk Nur Jazlan bin Tan Sri Mohamed (a)	1/1	N/A	N/A
Hew Tze Kok (b)	2/2	N/A	N/A
Lim Kim Chu (c)	2/2	1/1	1/1
Dato' Wong Soon Woei (d)	3/3	1/1	1/1

Notes:-

(a) Appointed on 31 October 2013
(b) Appointed on 20 June 2013
(c) Retired on 26 July 2013 and resigned as a member of Audit Committee, Nomination Committee and Remuneration Committee on 20 June 2013
(d) Resigned on 31 October 2013

2.3 Board should 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 once in the financial year ended 31 January 2014 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 MCCG 2012 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.

The Board recommends the Directors' fees payable to the Directors on a yearly basis to the shareholders for approval at the annual general meeting in line with the provision of its Articles of Association.

The aggregate remuneration of the directors for the financial year ended 31 January 2014 is as follows:

	Executive Directors	Non-Executive Directors	Total
	RM	RM	RM
Fees	17	79,500	79,517
Salaries & other emoluments	105,103	7,200	112,303
Benefits in kind	-	-	-
	105,120	86,700	191,820

Principle 2 – Strengthen composition *cont'd*

2.3 Board should 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:

	Executive Directors	Non-Executive Directors
RM50,000 and below	1	5
RM50,001 to RM150,000	1	-

The MCCG 2012 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 Board should 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 does not have any Independent Directors who have served the Board exceeding the tenure of 9 years.

The Board notes the recommendations of MCCG 2012 and shall address the matter when the time 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

To date, the Group has not designated a Group Chief Executive. However, the roles of the Chairman, Datuk Nur Jazlan bin Tan Sri Mohamed who is an Independent Non-Executive Director and 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.

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 section 3.4 above.

Principle 4 – Foster commitment

4.1 Board should 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. The attendance record of the Board for the financial year ended 31 January 2014 is set out below:-

Directors	Designations	Attendance	%
Datuk Nur Jazlan bin Tan Sri Mohamed *(appointed on 31 October 2013)*	Independent Non-Executive Chairman	1/1	100%
Tan Sik Eek *(appointed on 20 June 2013)*	Non-Independent Executive Director	2/2	100%
Looi Kem Loong	Non-Independent Executive Director	4/4	100%
Lim Foo Seng	Independent Non-Executive Director	4/4	100%
Hew Tze Kok *(appointed on 20 June 2013)*	Independent Non-Executive Director	2/2	100%
Dato' Wong Soon Woei *(resigned on 31 October 2013)*	Independent Non-Executive Chairman	3/3	100%
Lim Kim Chu *(retired on 26 July 2013)*	Independent Non-Executive Director	2/2	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 Board should ensure members have access to appropriate continuing education programme

The Board determines the training needs of the Directors on a continuous basis and ensures that its members have access to appropriate continuing education programmes. During the financial year, 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. Courses and fairs attended by the Directors include Accessing the London Capital Markets Forum 2013, 4th SBY Tax & Corporate Review, Mandatory Accreditation Programme for Directors of Public Listed Companies as well as briefings on technology advances/industry changes conducted by technology experts of our incubatees/advisory panel.

Principle 5 – Uphold integrity in financial reporting

5.1 Audit Committee should ensure financial statements comply with applicable financial reporting standards

The Board through the Audit Committee endeavours 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.

Principle 5 – Uphold integrity in financial reporting *cont'd*

5.1 Audit Committee should ensure financial statements comply with applicable financial reporting standards *cont'd*

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 following the completion of their audit. The External Auditors would share with the Audit Committee on 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 Audit Committee should have 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 annual general meeting. 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.

Non-audit fees paid or payable to External Auditors for the financial year ended 31 January 2014 amounted to RM5,300 (2013 : None).

Principle 6 – Recognise and manage risks

6.1 Board should 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 Board should establish an internal audit function which reports directly to Audit Committee

The Group engages third party consultants for example PIMC Consulting Sdn Bhd and others to assist in the internal audit functions for the Group, with the objective for conducting systematic testing and assessment of the Group's internal control system based on an internal audit plan approved by the Audit Committee. 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, the 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 in year ended 31 January 2014 amounted to approximately RM12,720.

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 annual general meeting. The notice period of the annual general meeting 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 annual general meeting.

8.2 Board should encourage poll voting

At the commencement of the annual general meeting after the calling of the meeting to order, the Chairman would remind the shareholders, proxies and corporate representatives on their rights to demand for a poll in accordance with the provisions of the Articles of Association of the Company for any resolutions. The Chairman is also aware that he could demand for a poll for substantive resolution to be tabled at the shareholders' meetings.

The Company's share registrar is well equipped to facilitate the conduct a poll should the need arises.

8.3 Board should 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.

This statement is made in accordance with the resolution of the Board dated 19 June 2014.

Statement on
Risk Management and Internal Control

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

A. BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal controls and in seeking regular assurance on the adequacy, effectiveness and integrity of the risk management and internal control system to meet Group's objectives/strategies, safeguard shareholders' investments and the Group's assets.

Board meetings are conducted on a periodic basis to review the Group's risk management and internal control activities. The Board through its Audit Committee supported by a Group internal Audit ("GIA") that is independent of the activities it audits, conducted periodic assessments as to whether risks that may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled. Issues as well as actions agreed by the Management to address them were tabled and deliberated 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 Company's activities and setting levels of acceptable risk appetite to aid decision-making and governance processes.

The Board of Directors also acknowledges the need for a more formal risk management framework and processes that are capable to provide reasonable assurances that risk are managed within tolerable ranges. The Board has received assurance from the Executive Directors that the Group will continuously improve and maintain a sound and effective systems 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, the internal control system can only reduce but cannot totally eliminate risks that impede the achievement of the Group's business objective. 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. In the course of performing its duties, 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 within the Group during their service in GIA.

The Audit Committee reviews and deliberates internal control issues identified by the internal and external auditors on a regular basis, and evaluate on the adequacy and effectiveness of the risk management and internal control systems.

The Audit Reports, including Management's responses are also circulated to the Management for safe keeping and follow-up purposes to ensure that recommendations are being carried out.

B. KEY ELEMENTS OF INTERNAL CONTROL SYSTEM *cont'd*

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

- Formal organization structure with clearly defined roles and lines of responsibilities, authority and accountability within the Group;
- Recruitment of adequate 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 process;
- Regular and 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 objective; and
- Engage and appoint solicitors, financial advisors and other competent professional 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 year under review is sufficient to cater for the requirement 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 identifiying, 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, risks were assessed using qualitative measures based on the significance of their impact to the Group and the likelihood of occurrence. The product of impact and likelihood were 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 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 via Audit Committee.

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 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 weaknesses 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.

Statement on
Risk Management and Internal Control
cont'd

E. REVIEW OF EXTERNAL AUDITORS

In accordance with the 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 causes them 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 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 towards 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.

Other
Compliance Information

A. SHARE BUY BACKS

The Company did not carry out any share buybacks for the financial year under review.

B. OPTIONS, WARRANTS OR CONVERTIBLES SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year.

C. DEPOSITORY RECEIPT ("DR") PROGRAMME

During the financial year, the Company did not sponsor any DR Programme.

D. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There was no sanction and/or penalty imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

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

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

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

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 working environment.

d) Promote environmental awareness to our suppliers, sub-contractors and employees.

e) Periodic review of our policy and actual performance to ensure achievability of objectives.

F. NON-AUDIT FEES

Non-audit fees paid or payable to external auditors for the financial year ended 31 January 2014 amounted to RM5,300.

G. VARIATION IN RESULTS BETWEEN AUDITED AND UNAUDITED RESULTS

There were no variation of results between the audited and unaudited results for the financial year ended 31 January 2014.

H. PROFIT GUARANTEE

During the financial year, there was no profit guarantee issued or received by the Company.

I. MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interests which were still subsisting at the end of the financial year or since the end of the previous financial year.

J. RECURRENT RELATED PARTY TRANSACTIONS

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

K. REVALUATION POLICY

The Company has not adopted any policy of regular revaluations for its landed properties.

L. PROPERTIES

As at 31 January 2014 the Group does not own any properties.

M. UTILISATION OF PROCEEDS

Status of utilisation of proceeds derived from the private placement of 38,200,000 Shares in ABT by the Company as at 31 January 2014.

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Deviation RM'000	Timeframe for the utilisation of proceeds
Technology incubation fund	3,280	(944)	2,336	-	Within 3 years
Working capital	500	(500)	-	-	Within 1 year
Estimated expenses	40	(40)	-	-	Within 1 month
	3,820	(1,484)	2,336	0	

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 January 2014.

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:

Member	Attendance of meetings	Percentage attendance
Lim Foo Seng *(Chairman)*	4/4	100%
Datuk Nur Jazlan bin Tan Sri Mohamed *(appointed on 31 October 2013)*	1/1	100%
Hew Tze Kok *(appointed on 20 June 2013)*	2/2	100%
Dato' Wong Soon Woei *(resigned on 31 October 2013)*	3/3	100%
Lim Kim Chu *(resigned on 20 June 2013)*	2/2	100%

B. TERMS OF REFERENCE OF AUDIT COMMITTEE

Terms of Reference of the Audit Committee are as follows:

Composition of the Audit Committee

The Audit Committee shall be appointed by the board from amongst their numbers, which fulfills the following requirements:

a. The Audit Committee must be composed of no fewer than three (3) members.

b. All the Audit Committee members must be non-executive directors, with a majority of them being independent directors.

c. At least one (1) member of the Audit Committee:

   (i) must be a member of the Malaysian Institute of Accountants; or

   (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:

      (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

      (b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

   (iii) fulfills such other requirements as prescribed or approved by the Exchange.

d. No alternate director shall be appointed as a member of the Audit Committee.

e. The members of the Audit Committee shall elect a Chairman among themselves who shall be an independent director. The Chairman of the Audit Committee should engage on a continuous basis with senior management (including executive directors), the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company in a timely manner.

If the Chairman is not present at a meeting within five (5) minutes after the time appointed for holding the meeting, the members of the Committee may elect one (1) of their numbers to be the chairman of the meeting.

Audit Committee
Report
cont'd

B. TERMS OF REFERENCE OF AUDIT COMMITTEE *cont'd*

Composition of the Audit Committee *cont'd*

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the clauses (a), (b) and (c) above, the Company must fill the vacancy within three (3) months.

All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. The board must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.

The role of the Audit Committee Chairman is planning and conducting meetings, overseeing reporting to the board, encouraging open discussion during meetings, and developing and maintaining active on-going dialogue with management and both internal and external auditors.

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 January 2014, the Audit Committee has carried out its duties as set out in terms of reference. These include:

a. Reviewed the quarterly financials 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;

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 for the Group;

f. Reviewed the fees of the external auditors;

g. Reviewed the internal audit reports by the Internal Auditors; and

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

D. INTERNAL AUDIT FUNCTION

The Board engages third party consultants the likes of PIMC Consulting Sdn Bhd to assist in the internal audit functions of the Group, which reports directly to the Audit Committee. The internal auditor's role is to provide the Committee with independent reviews and objective reports on the state of internal control of the operating units with the Group. Cost incurred for the internal audit function in respect of the financial year ended 31 January 2014 amounted to RM12,720.

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.

E. RIGHTS

In carrying out its duties and responsibilities, the Audit Committee will:

a. have the authority to investigate any matter within its terms of reference and have the right of direct access to anyone in the Company to conduct a special investigation to be carried out for fraud, violation of code of conduct or an illegal act;

b. have the resources which are required to perform its duties;

c. have full and unrestricted access to any information pertaining to the Company;

d. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

e. be able to obtain independent professional or other advice and to invite outside experts or advisors such as valuers, engineers or tax consultants with relevant experience and expertise to attend the Audit Committee meetings (if required) and to brief the Audit Committee; and

f. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

F. DUTIES AND RESPONSIBILITIES

The following are the main duties and responsibilities of the Audit Committee:

a. Review the appointment, resignation, conduct, audit plans, functions and findings of the External and Internal Auditors;

b. Review the assistance given by Group employees to the External and Internal Auditors;

c. Review the quarterly results and year end financial statements and ensure, amongst others, that the financial statements comply with applicable financial reporting standards, prior to approval of the Board;

d. Review related party transactions or conflict of interest situations or any procedure, transaction or conduct that may raise questions on management integrity;

e. Review and report the state of the system of internal controls of the Group;

f. Consider the major findings of internal investigations and management's response as well as other matters as defined by the Board; and

g. Assess the suitability and independence of External Auditors.

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 provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia 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 January 2014, 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.

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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 January 2014.

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 RM	Company RM
Loss for the year	(709,494)	(127,469)
Attributable to:		
Owners of the Company	(644,957)	(127,469)
Non-controlling interests	(64,537)	-
	(709,494)	(127,469)

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 increased its issued and paid-up ordinary share capital from RM38,200,000 to RM42,020,000 by way of the issuance of 38,200,000 new ordinary shares of RM0.10 each in the Company pursuant to private placement at an issue price of RM0.10 per ordinary share. The shares were issued for the purpose of working capital.

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

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

OPTIONS

No option has been granted during the financial year to take up unissued shares of the Company.

DIRECTORS

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

Looi Kem Loong	
Lim Foo Seng	
Tan Sik Eek	(appointed on 20.06.2013)
Hew Tze Kok	(appointed on 20.06.2013)
Datuk Nur Jazlan Bin Tan Sri Mohamed	(appointed on 31.10.2013)
Lim Kim Chu	(resigned on 26.07.2013)
Dato' Wong Soon Woei	(resigned on 31.10.2013)

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 of RM0.10 each →			
	Balance 01.02.2013	**Bought**	**Sold**	**Balance 31.01.2014**
Direct				
Looi Kem Loong	733	-	-	733
Lim Foo Seng	50	-	-	50
Indirect				
Looi Kem Loong*	80,704,333	-	(50,000,000)	30,704,333

* *Deemed interest by virtue of his substantial shareholdings pursuant to Section 6A of the Companies Act, 1965 in Platimas Sdn. Bhd. and Acritaz Holdings Sdn. Bhd.*

The other directors holding office at the end of the year had no interest in shares in the Company during the year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, 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.

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.

SIGNIGICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 30 to the financial statements.

SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 31 to the financial statements.

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 adequate allowance had been made for doubtful debts; 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 of bad debts or the amount of the allowance for doubtful debts in the financial statements inadequate to any substantial extent 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 other than as disclosed in Note 30; 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 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 its 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.

AUDITORS

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

LOOI KEM LOONG
Director

TAN SIK EEK
Director

Kuala Lumpur,
Date: 6 May 2014

Statement By Directors

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 34 to 77 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to exhibit a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2014 and of the results and cash flows of the Group and of the Company for the year ended on that date.

The information set out in Note 32 on page 77 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.

Signed in Kuala Lumpur on 6 May 2014

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

LOOI KEM LOONG

TAN SIK EEK

Statutory Declaration

I, Looi Kem Loong, 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 34 to 77 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 6 May 2014

LOOI KEM LOONG

Before me
ABD RAHMAN BIN ZAHARI
No. W599

Commissioner for Oaths

Independent Auditors' Report
to the Members of Asia Bioenergy Technologies Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Asia Bioenergy Technologies Berhad, which comprise the statements of financial position as at 31 January 2014 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 77.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 January 2014 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS *cont'd*

The supplementary information set out in Note 32 on page 77 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 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SIEW BOON YEONG & ASSOCIATES
[AF: 0660]
Chartered Accountants

DATO' SIEW BOON YEONG
[1321 / 7 / 14 (J)]

Kuala Lumpur,
Date: 6 May 2014

Statements of Financial Position
as at 31 January 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	4,399,657	1,285,940	1,446,887	1,253,168
Intangible assets	6	2,352,570	2,352,570	-	-
Investment in subsidiary companies	7	-	-	3,202,059	6,450,000
Investment in associated companies	8	-	-	-	-
Other investments	9	11,365,974	17,279,165	8,377,555	13,404,445
		18,118,201	20,917,675	13,026,501	21,107,613
CURRENT ASSETS					
Trade receivables	10	612,428	-	-	-
Other receivables, deposits and prepayments	11	98,982	184,038	88,982	69,339
Amount owing by subsidiary companies	12	-	-	10,945,768	9,300
Marketable securities	13	4,091,252	-	-	-
Tax recoverable		58	51,068	-	-
Deposits with a licensed financial institution	14	1,900,000	-	1,900,000	-
Cash and bank balances		1,224,068	1,904,464	94,764	1,606,090
		7,926,788	2,139,570	13,029,514	1,684,729
TOTAL ASSETS		26,044,989	23,057,245	26,056,015	22,792,342

Statements of Financial Position

as at 31 January 2014

cont'd

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	42,020,000	38,200,000	42,020,000	38,200,000
Reserves	16	(18,548,705)	(17,903,746)	(17,960,663)	(17,833,194)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		23,471,295	20,296,254	24,059,337	20,366,806
Non-controlling interests		45,486	110,023	-	-
TOTAL EQUITY		23,516,781	20,406,277	24,059,337	20,366,806
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred tax liabilities	17	-	-	-	-
CURRENT LIABILITIES					
Trade payables	18	442,500	754,750	-	-
Other payables, deposit and accruals	19	2,085,708	1,824,560	1,996,678	1,686,341
Amount owing to subsidiary companies	12	-	-	-	739,195
Tax liabilities		-	71,658	-	-
		2,528,208	2,650,968	1,996,678	2,425,536
TOTAL LIABILITIES		2,528,208	2,650,968	1,996,678	2,425,536
TOTAL EQUITY AND LIABILITIES		26,044,989	23,057,245	26,056,015	22,792,342

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

Statements of Profit or Loss And Other Comprehensive Income
as at 31 January 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
REVENUE	20	3,700,349	2,312,998	46,228	250,000
COST OF SALES		(3,631,655)	(1,809,428)	-	-
GROSS PROFIT		68,694	503,570	46,228	250,000
OTHER OPERATING INCOME		4,509,038	920,458	4,769,214	2,941,521
ADMINISTRATIVE EXPENSES		(1,583,405)	(2,816,273)	(1,196,345)	(870,124)
OTHER OPERATING EXPENSES		(3,703,135)	(2,922,046)	(3,745,997)	(5,558,577)
LOSS FROM OPERATIONS		(708,808)	(4,314,291)	(126,900)	(3,237,180)
FINANCE COSTS		-	-	-	-
SHARE OF LOSS IN ASSOCIATED COMPANIES		-	(1,858)	-	-
LOSS BEFORE TAXATION	21	(708,808)	(4,316,149)	(126,900)	(3,237,180)
INCOME TAX EXPENSE	22	(686)	(86,439)	(569)	(14,781)
LOSS FOR THE YEAR		(709,494)	(4,402,588)	(127,469)	(3,251,961)
OTHER COMPREHENSIVE INCOME , NET OF TAX, THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Share of associated companies' other comprehensive income		-	439	-	-
Reclassification of exchange reserve		-	66,143	-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	66,582	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(709,494)	(4,336,006)	(127,469)	(3,251,961)
LOSS ATTRIBUTABLE TO:					
Owners of the Company		(644,957)	(4,393,997)	(127,469)	(3,251,961)
Non-controlling interests		(64,537)	(8,591)	-	-
LOSS FOR THE YEAR		(709,494)	(4,402,588)	(127,469)	(3,251,961)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the Company		(644,957)	(4,327,415)	(127,469)	(3,251,961)
Non-controlling interests		(64,537)	(8,591)	-	-
		(709,494)	(4,336,006)	(127,469)	(3,251,961)
BASIC LOSS PER SHARE					
- Basic (sen)	24	(0.16)	(1.15)		

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

Statements of Changes In Equity
as at 31 January 2014

Group	Note	Share capital RM	Foreign exchange translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total RM
		Non-distributable					
Balance at 1 February 2012		38,200,000	(66,582)	(13,521,603)	24,611,815	2,265,803	26,877,618
Total comprehensive loss for the year		-	66,582	(4,393,997)	(4,327,415)	(8,591)	(4,336,006)
Acquisition of subsidiary companies		-	-	21,878	21,878	(21,878)	-
Dilution of interest in a subsidiary company		-	-	(10,024)	(10,024)	110,023	99,999
Derecognition of subsidiary companies	26 (e)	-	-	-	-	(2,235,334)	(2,235,334)
Balance at 31 January 2013		38,200,000	-	(17,903,746)	20,296,254	110,023	20,406,277
Issuance of share capital		3,820,000	-	-	3,820,000	-	3,820,000
Total comprehensive loss for the year		-	-	(644,957)	(644,957)	(64,537)	(709,494)
Acquisition of additional shares in a subsidiary company		-	-	(2)	(2)	-	(2)
Balance at 31 January 2014		42,020,000	-	(18,548,705)	23,471,295	45,486	23,516,781

Company	Share capital RM	Accumulated losses RM	Total RM
Balance at 1 February 2012	38,200,000	(14,581,233)	23,618,767
Total comprehensive loss for the year	-	(3,251,961)	(3,251,961)
Balance at 31 January 2013	38,200,000	(17,833,194)	20,366,806
Issuance of share capital	3,820,000	-	3,820,000
Total comprehensive loss for the year	-	(127,469)	(127,469)
Balance at 31 January 2014	42,020,000	(17,960,663)	24,059,337

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

Statements of Cash Flows

as at 31 January 2014

	Note	Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(708,808)	(4,316,149)	(126,900)	(3,237,180)
Adjustments for:					
Bad debts written off		-	1,460,044	-	915,179
Depreciation		325,179	277,944	307,460	162,945
Deposit forfeited		43,800	-	-	-
Dividend income		-	-	-	(250,000)
Fair value loss on marketable securities		561,590	-	-	-
Gain on bargain purchase of a subsidiary company		-	(352,075)	-	-
Gain on derecognition of subsidiary companies		-	(96,255)	-	-
Gain on disposal of other investments		(4,455,039)	-	(4,769,214)	(2)
Impairment loss on:					
- investment in subsidiary company		-	-	3,247,943	-
- other investments		2,018,014	2,222,931	256,234	3,226,387
Inventories written off		-	88,535	-	-
Loss on derecognition of associated companies		-	54,841	-	-
Loss on disposal of investments		-	-	-	922,000
Loss on disposal of marketable securities		16,398	-	-	-
Property, plant and equipment written off		798,352	644,277	241,819	495,011
Reversal of impairment loss on amount owing by subsidiary company		-	-	-	(2,502,519)
Share of losses in associated companies		-	1,858	-	-
Waiver of debts		(54,000)	-	-	-
Operating loss before working capital changes		(1,454,514)	(14,049)	(842,658)	(268,179)
Proceeds from disposal of marketable securities		1,527,641	-	-	-
Purchase of marketable securities		(6,196,881)	-	-	-
Decrease in inventories		-	5,185	-	-
(Increase)/decrease in receivables		(517,172)	(1,725,314)	(10,956,111)	3,208,428
Deposits with a licensed financial institution		(1,900,000)	-	(1,900,000)	-
(Decrease)/increase in payables		(1,984,730)	1,335,535	(428,858)	2,318,150
Cash (used in)/generated from operations		(10,525,656)	(398,643)	(14,127,627)	5,258,399
Tax (paid)/refunded		(21,334)	61,291	(569)	(14,781)
Net cash (used in)/generated from operating activities		(10,546,990)	(337,352)	(14,128,196)	5,243,618

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash outflow on acquisition of subsidiary companies	25 (b)	-	(549,000)	(2)	(4,000,004)
Net cash inflow on derecognition of subsidiary companies	26 (e)	-	3,474,017	-	-
Purchase of other investments		(919,000)	-	(919,000)	(2,568,437)
Purchase of property, plant and equipment		(4,237,248)	(1,416,074)	(1,290,997)	(1,359,071)
Dividend received		-	-	-	250,000
Proceeds from disposal of investments		11,202,842	-	10,458,870	4,000,004
Proceeds from disposal of property, plant and equipment		-	-	547,999	-
Net cash generated from/(used in) investing activities		6,046,594	1,508,943	8,796,870	(3,677,508)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital		3,820,000	-	3,820,000	-
Proceeds from issuance of share capital to non-controlling interests		-	99,999	-	-
Net cash generated from financing activities		3,820,000	99,999	3,820,000	-
Net (decrease)/increase in cash and cash equivalents		(680,396)	1,271,590	(1,511,326)	1,566,110
Cash and cash equivalents at beginning of year		1,904,464	632,874	1,606,090	39,980
Cash and cash equivalents at end of year		1,224,068	1,904,464	94,764	1,606,090
Cash and Cash Equivalents Comprise:					
Cash and bank balances		1,224,068	1,904,464	94,764	1,606,090

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

Notes To The Financial Statements
as at 31 January 2014

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 to the financial statements. 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 B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450 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.

The financial statements are presented in Ringgit Malaysia (RM), which is also the Group's and the Company's functional currency.

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, 1965 in Malaysia. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

On 1 February 2013, the Group and the Company have adopted the following new and revised MFRSs, issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 January 2013:

MFRSs that have been issued and effective

MFRSs/Interpretations	Effective for annual periods beginning on or after
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits (2011)	1 January 2013
MFRS 127 Separate Financial Statements (2011)	1 January 2013
MFRS 128 Investment in Associates and Joint Ventures (2011)	1 January 2013

2. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS** *cont'd*

MFRSs that have been issued and effective *cont'd*

MFRSs/Interpretations	**Effective for annual periods beginning on or after**
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10 Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11 Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12 Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

The adoption of the above accounting standards, amendments and interpretations did not have any material impacts to the financial statements.

The Group and the Company have not adopted the following standards, amendments and interpretations that have been issued but not yet effective:

MFRSs that have been issued but are not yet effective

MFRSs/Interpretations	**Effective for annual periods beginning on or after**
Amendments to MFRS 10 Consolidated Financial Statements	1 January 2014
Amendments to MFRS 12 Disclosure of Interests in Other Entities	1 January 2014
Amendments to MFRS 127 Separate Financial Statements (2011)	1 January 2014
Amendments to MFRS 132 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014

2. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS** *cont'd*

MFRSs that have been issued but are not yet effective *cont'd*

MFRSs/Interpretations	**Effective for annual periods beginning on or after**
Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 2 Share-based Payment	1 July 2014
Amendments to MFRS 3 Business Combinations	1 July 2014
Amendments to MFRS 8 Operating Segments	1 July 2014
Amendments to MFRS 13 Fair Value Measurement	1 July 2014
Amendments to MFRS 116 Property, Plant and Equipment	1 July 2014
Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 124 Related Party Disclosures	1 July 2014
Amendments to MFRS 138 Intangible Assets	1 July 2014
Amendments to MFRS 140 Investment Property	1 July 2014
MFRS 9 Financial Instruments (2009)	To be confirmed
MFRS 9 Financial Instruments (2010)	To be confirmed
Amendments to MFRS 7, Financial Instruments: Disclosures – Mandatory Date of MFRS 9 and Transition Disclosures	To be confirmed

The adoption of these standards, amendments and interpretations 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 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company is currently assessing the financial impact of adopting MFRS 9.

3. **SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis Of Consolidation

The financial statements of the Group include the audited 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 for 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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis Of Consolidation *cont'd*

(i) Acquisition method of accounting for non-common control business combinations

Acquisition of subsidiaries 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) 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 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 interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 parent.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(b) Property, Plant And Equipment

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

Capital work in-progress is not depreciated.

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:

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

Asset under construction represents plant under installation and is stated at cost. It is not depreciated until such time when the asset is available for use.

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at each statement of financial position date. 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 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 is obligated to incur when the asset is acquired, if applicable.

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

(i) 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 subsidiaries at the date of acquisition.

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

3. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

(c) **Intangible Assets** *cont'd*

(ii) *Other Intangible Assets*

Intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree if the fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. In-process research and development projects acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for research and development are not met.

Intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors; there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed each period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment for indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

(d) **Investments 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.

Investments 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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(e) Investment In Associated Company

Associated company is an entity in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investment in associated companies is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associated companies is carried in the consolidated statements of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associated companies. The Group's share of the net profit or loss of the associated company is recognised in the consolidated statements of profit or loss. Where there has been a change recognised directly in the equity of the associates, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associated companies. The associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated companies.

When the Group's share of losses in associated companies equals or exceeds its interest in the associated companies, including any long-term interest that, in substance, form part of the Group's net investment in the associated companies, the Group does not recognised further losses, unless it has incurred obligations or made payments on behalf of the associated companies.

(f) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has 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.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends 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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(f) Financial Instruments *cont'd*

(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 right to receive payment is established.

- *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 Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets 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.

- *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 Company's right 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.

3. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

(f) Financial Instruments *cont'd*

(ii) Financial Liabilities

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.

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.

(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.

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. 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) 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 each 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 financial assets 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*

(g) 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 each 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 the 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 the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

(h) 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 each statement of financial position 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.

(i) 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, subsidiaries and fellow subsidiaries);
   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);

(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.

3. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

(j) Foreign Currency Translation

(i) Transactions And Balances

Foreign currency monetary assets and liabilities have been translated into Ringgit Malaysia ("RM") at the rates of exchange ruling at the statements of financial position date. Transactions in foreign currencies have been converted at rates ruling at the transaction dates. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the profit or loss. Non-monetary assets and liabilities are translated using exchange rates that existed when the values determined.

(ii) Foreign Operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition of foreign operations, are translated into RM for consolidation at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated into RM at the average rates for the financial period. All exchanges differences arising from translation are recognised directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, accumulated translation differences recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

(k) 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 is recognised using the following bases:

(i) Sale Of Marketable Securities

Proceeds from sale of marketable securities is recognised upon disposal of investments.

(ii) Interest Income

Interest income on securities is recognised on an effective yield basis.

(iii) Dividend Income

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

(iv) Sale Of Goods And Services

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 activities. Revenue from sale of goods and services is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts, and services are performed.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(l) 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 each 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.

(m) 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.

(ii) Defined Contribution Plan

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

(n) 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.

(o) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues 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.

3. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

(p) Contingent Assets

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgments 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 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 anticipates that the residual values of its 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 Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates 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 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.

(d) 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 financial assets 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *cont'd*

(e) 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.

(f) 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.

5. PROPERTY, PLANT AND EQUIPMENT

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

Group	Capital work in progress 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 February 2012	-	3,037,628	379,470	501,403	159,205	1,501,382	229,001	890,098	759,425	4,980	7,462,592
Additions	-	-	15,793	104,831	758,327	-	26,761	23,675	482,312	4,375	1,416,074
Derecognition of subsidiary companies	-	(3,037,628)	(337,008)	(375,258)	(14,090)	(1,449,110)	(127,901)	(913,773)	(287,218)	(2,050)	(6,544,036)
Written off	-	-	(25,191)	(126,146)	(145,115)	(52,272)	(66,417)	-	(472,208)	(2,930)	(890,279)
At 31 January 2013	-	-	33,064	104,830	758,327	-	61,444	-	482,311	4,375	1,444,351
Additions	2,905,763	280,000	10,997	-	-	9,288	-	851,200	180,000	-	4,237,248
Written off	-	-	-	(97,841)	(272,070)	-	(33,214)	-	(450,158)	(4,375)	(857,658)
At 31 January 2014	2,905,763	280,000	44,061	6,989	486,257	9,288	28,230	851,200	212,153	-	4,823,941

5. **PROPERTY, PLANT AND EQUIPMENT** *cont'd*

The details of property, plant and equipment are as follows: *cont'd*

Group	Capital work in progress 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
Accumulated depreciation											
At 1 February 2012	-	60,753	164,894	107,554	67,493	279,640	57,163	148,871	140,346	307	1,027,021
Charge for the year	-	-	7,980	11,331	99,924	1,485	16,619	91,377	48,839	389	277,944
Derecognition of subsidiary companies	-	(60,753)	(152,178)	(67,437)	(6,390)	(241,568)	(31,806)	(240,248)	(100,018)	(154)	(900,552)
Written off	-	-	(8,000)	(44,460)	(72,555)	(39,557)	(24,166)	-	(57,014)	(250)	(246,002)
At 31 January 2013	-	-	12,696	6,988	88,472	-	17,810	-	32,153	292	158,411
Charge for the year	-	23,334	8,132	1,621	109,631	310	6,753	156,073	19,252	73	325,179
Written off	-	-	-	(1,620)	(41,914)	-	(7,905)	-	(7,502)	(365)	(59,306)
At 31 January 2014	-	23,334.00	20,828	6,989	156,189	310	16,658	156,073	43,903	-	424,284
Net book value											
At 31 January 2014	2,905,763	256,666	23,233	-	330,068	8,978	11,573	695,127	168,249	-	4,399,657
At 31 January 2013	-	-	20,368	97,842	669,855	-	43,634	-	450,158	4,083	1,285,940

5. **PROPERTY, PLANT AND EQUIPMENT** *cont'd*

The details of property, plant and equipment are as follows: *cont'd*

Company	Buildings RM	Computers RM	Furniture and fittings RM	Lab equipment RM	Office equipment RM	Plant and machinery RM	Renovation RM	Signboard RM	Total RM
Cost									
At 1 February 2012	-	17,271	63,686	-	63,233	-	472,208	2,930	619,328
Additions	-	15,793	104,830	725,000	26,761	-	482,312	4,375	1,359,071
Written off	-	-	(63,686)	-	(28,550)	-	(472,208)	(2,930)	(567,374)
At 31 January 2013	-	33,064	104,830	725,000	61,444	-	482,312	4,375	1,411,025
Additions	280,000	10,997	-	-	-	850,000	150,000	-	1,290,997
Disposals	-	-	(104,830)	-	-	-	(482,312)	-	(587,142)
Written off	-	-	-	(250,000)	(33,214)	-	-	(4,375)	(287,589)
At 31 January 2014	280,000	44,061	-	475,000	28,230	850,000	150,000	-	1,827,291
Accumulated depreciation									
At 1 February 2012	-	7,240	5,838	-	12,770	-	41,273	154	67,275
Charge for the year	-	5,456	9,112	87,917	12,176	-	47,894	390	162,945
Written off	-	-	(7,961)	-	(7,137)	-	(57,013)	(252)	(72,363)
At 31 January 2013	-	12,696	6,989	87,917	17,809	-	32,154	292	157,857
Charge for the year	23,334	8,134	-	103,333	6,753	155,833	10,000	73	307,460
Disposals	-	-	(6,989)	-	-	-	(32,154)	-	(39,143)
Written off	-	-	-	(37,500)	(7,905)	-	-	(365)	(45,770)
At 31 January 2014	23,334	20,830	-	153,750	16,657	155,833	10,000	-	380,404
Net book value									
At 31 January 2014	256,666	23,231	-	321,250	11,573	694,167	140,000	-	1,446,887
At 31 January 2013	-	20,368	97,841	637,083	43,635	-	450,158	4,083	1,253,168

6. INTANGIBLE ASSETS

Group	Goodwill RM	Software RM	Technology rights RM	Total RM
Cost				
At 1 February 2012	7,578,780	978,750	3,900,000	12,457,530
Acquisition of subsidiary companies (Note 25 (b))	2,352,570	-	-	2,352,570
Derecognition of subsidiary companies	(7,578,780)	(978,750)	(3,900,000)	(12,457,530)
At 31 January 2013	2,352,570	-	-	2,352,570
At 31 January 2014	2,352,570	-	-	2,352,570
Less:				
Accumulated amortisation				
At 1 February 2012	-	49,037	-	49,037
Derecognition of subsidiary companies	-	(49,037)	-	(49,037)
At 31 January 2013	-	-	-	-
At 31 January 2014	-	-	-	-
Accumulated impairment				
At 1 February 2012	80,970	-	-	80,970
Derecognition of subsidiary companies	(80,970)	-	-	(80,970)
At 31 January 2013	-	-	-	-
At 31 January 2014	-	-	-	-
Carrying amount				
At 31 January 2014	2,352,570	-	-	2,352,570
At 31 January 2013	2,352,570	-	-	2,352,570

(a) Goodwill

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the Operating Unit ("OU") based on value-in-use. Value-in-use is determined by either discounting of future cash flows to be generated from the continuing use of the OU or using PE Multiple of the potential profitability of the OU going forward. The following are the principal assumptions:-

(i) Cash flows (if applicable) are projected based on the managements' three (3) to five (5) years business plan for the OU;

(ii) Profitability are projected based on management three (3) to five (5) years business plan, taking into account industry trends, historical margins achieved or pre-determined profit margins; and

(iii) Discount rates or PE Multiple used are based on management's estimate of return on capital employed required of the OU, taking into account, amongst others, status of operations and growth trends.

6. INTANGIBLE ASSETS *cont'd*

(a) Goodwill *cont'd*

The management is not aware of any reasonable possible change in the above key assumptions that would cause the carrying amounts of the OUs to materially exceed its recoverable amount.

(b) Software

Acquired software is stated at cost less accumulated amortisation and accumulated impairment, if any.

(c) Technology Rights

Technology rights are stated at cost.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2014	**2013**
	RM	**RM**
Unquoted shares, at cost		
At 1 February	9,050,000	26,825,099
Addition	2	4,000,004
Disposal	-	(17,325,103)
Reclassification from investment in associated companies	-	2,450,000
Reclassification to investment in unquoted shares	-	(6,900,000)
At 31 January	9,050,002	9,050,000
Accumulated impairment losses:		
At 1 February	2,600,000	13,790,706
Addition	3,247,943	1,212,395
Disposal	-	(12,403,101)
At 31 January	5,847,943	2,600,000
Net carrying value	3,202,059	6,450,000

7. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details of the subsidiary companies are as follows:

Name of subsidiary companies	Group's Effective Interest 2014 %	Group's Effective Interest 2013 %	Equity Interest Held By Company 2014 %	Equity Interest Held By Company 2013 %	Principal activities
Eco-Sponge Sdn. Bhd.	100	80	100	80	Engaged in the manufacturing and trading of absorbent chemical compound and other related services and trading of fertilizer related products.
Asia Capital Sdn. Bhd. (formerly known as Asia Oleo Sdn. Bhd.)	100	100	100	100	Investing and trading in quoted securities and related activities.
Hexa Bonanza Sdn. Bhd. ("Hexa")	50	50	50	50	Contractor and technology provider for biomass pelletizing and related equipment.

8. INVESTMENT IN ASSOCIATED COMPANIES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost				
At 1 February	-	3,419,251	-	4,000,000
Addition	-	-	-	4,000
Reclassification to investment in unquoted shares (Note 9)	-	(3,417,832)	-	(4,004,000)
Share of post acquisition losses	-	(1,858)	-	-
Share of associated companies' other comprehensive income	-	439	-	-
At 31 January	-	-	-	-

9. OTHER INVESTMENTS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Unquoted shares, at cost				
At 1 February	25,946,473	23,085,216	15,418,437	4,400,000
Addition	7,505,469	-	7,505,469	2,564,437
Disposal	(11,400,646)	(10,226,402)	(12,276,125)	-
Acquisition of subsidiary companies (Note 25(b))	-	4,355,650	-	-
Reclassification from investment in subsidiary companies (Note 26 (e))	-	7,214,177	-	6,900,000
Reclassification from investment in associated companies (Note 8)	-	3,417,832	-	4,004,000
Reclassification to investment in subsidiary companies (Note 25 (b))	-	(1,900,000)	-	(2,450,000)
At 31 January	22,051,296	25,946,473	10,647,781	15,418,437
Accumulated impairment losses:				
At 1 February	(8,667,308)	(16,670,779)	(2,013,992)	-
Addition	(2,018,014)	(2,222,931)	(256,234)	(2,013,992)
Disposal	-	10,226,402	-	-
At 31 January	(10,685,322)	(8,667,308)	(2,270,226)	(2,013,992)
Net carrying value				
At 31 January	11,365,974	17,279,165	8,377,555	13,404,445

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

10. TRADE RECEIVABLES

Group

The normal trade credit term granted by the Group is 30 days (2013: Nil). Other credit terms are assessed and approved on a case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other receivables	48,493	184,038	48,493	29,339
Deposits	30,500	-	26,000	40,000
Prepayments	19,989	-	14,489	-
	98,982	184,038	88,982	69,339

12. AMOUNT OWING BY SUBSIDIARY COMPANIES

	Company	
	2014	2013
	RM	RM
Current assets		
Non-trade balances	10,945,768	9,300
Current liabilities		
Non-trade balances	-	739,195

13. MARKETABLE SECURITIES

	Group	
	2014	2013
	RM	RM
Quoted shares, at fair value through profit or loss		
At 1 February	-	-
Addition	4,091,252	-
At 31 January	4,091,252	-
Market value	4,091,252	-

14. DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION

The average effective interest rates for the deposits with a licensed bank range from 3.0% to 3.5% (2013: Nil) per annum and the maturities of deposits as at the end of the financial year range from 30 to 90 days (2013: Nil).

15. SHARE CAPITAL

	Group and Company			
	2014	2013	2014	2013
	← Number of shares →		RM	RM
Ordinary shares of RM0.10 each:				
Authorised:				
At 1 February	1,500,000,000	1,500,000,000	150,000,000	150,000,000
At 31 January	1,500,000,000	1,500,000,000	150,000,000	150,000,000
Issued and fully paid:				
At 1 February	382,000,000	382,000,000	38,200,000	38,200,000
Issued during the year, at par	38,200,000	-	3,820,000	-
At 31 January	420,200,000	382,000,000	42,020,000	38,200,000

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM38,200,000 to RM42,020,000 by way of the issuance of 38,200,000 new ordinary shares of RM0.10 each in the Company pursuant to private placement at an issue price of RM0.10 per ordinary share. The share were issued for the purpose of working capital.

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

16. RESERVES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Distributable:-				
Accumulated losses	(18,548,705)	(17,903,746)	(17,960,663)	(17,833,194)

17. DEFERRED TAX LIABILITIES

	Group	
	2014	2013
	RM	RM
Balance at 1 February	-	8,750
Derecognition of subsidiary companies	-	(8,750)
Balance at 31 January	-	-

17. DEFERRED TAX LIABILITIES *cont'd*

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

	Group	
	2014	2013
	RM	RM
Unabsorbed capital allowances	5,987	-
Unitilised tax losses	832,318	185,745
	838,305	185,745

18. TRADE PAYABLES

Group

Credit terms of trade payables range from 60 days to 90 days (2013: 60 days).

19. OTHER PAYABLES, DEPOSIT AND ACCRUALS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other payables	102,913	1,736,700	29,333	1,659,341
Amount owing to directors	6,517	560	6,517	-
Deposit	-	45,000	-	-
Accruals	42,650	42,300	27,200	27,000
Deferred income	1,933,628	-	1,933,628	-
	2,085,708	1,824,560	1,996,678	1,686,341

The amount owing to directors of the Group and of the Company are unsecured, interest free and are repayable on demand.

20. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Dividend income	-	-	-	250,000
Sales of goods and services	2,126,480	2,312,998	-	-
Proceeds from sale of marketable securities	1,527,641	-	-	-
Interest income	46,228	-	46,228	-
	3,700,349	2,312,998	46,228	250,000

21. LOSS BEFORE TAXATION

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Loss before taxation is stated *after charging:*				
Auditors' remuneration:				
- current year's provision	36,000	35,000	25,000	25,000
- under accrued in respect of prior year	1,000	800	-	1,500
Bad debts written off	-	1,460,044	-	915,179
Depreciation	325,179	277,944	307,459	162,945
Fair value loss on marketable securities	561,590	-	-	-
Impairment loss on				
- investment in subsidiary company	-	-	3,247,943	-
- other investments	2,018,014	2,222,931	256,234	3,226,387
Inventories written off	-	88,535	-	-
Loss on derecognition of associated companies	-	54,841	-	-
Loss on disposal of investments	-	-	-	922,000
Property, plant and equipment written off	798,352	644,277	241,819	495,011
Rental of motor vehicles	8,064	-	-	-
Rental of premises	171,800	186,075	127,400	161,575
Staff costs (Note 23)	558,427	480,251	223,436	360,251
and crediting:				
Dividend income	-	-	-	250,000
Gain on bargain purchase of a subsidiary company	-	352,075	-	-
Gain on derecognition of subsidiary companies *(Note 26 (e))*	-	96,255	-	-
Gain on disposal of other investments	4,455,039	-	4,769,214	2
Reversal of impairment loss on amount owing by subsidiary companies	-	-	-	2,502,519
Waiver of debts	54,000	-	-	-

22. INCOME TAX EXPENSE

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Malaysian income tax:				
- current year's provision	-	71,658	-	-
- under provision in respect of prior year	686	-	569	-
Real property gains tax	-	14,781	-	14,781
	686	86,439	569	14,781

22. INCOME TAX EXPENSE *cont'd*

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Loss before taxation	(708,808)	(4,316,149)	(126,900)	(3,237,180)
Income tax expense at Malaysian statutory tax rate of 25% (2013: 25%)	(177,202)	(1,079,037)	(31,725)	(809,295)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	1,985,213	1,173,858	1,224,028	809,295
- income not subject to tax	(1,969,654)	(30,409)	(1,192,303)	-
- temporary difference not recognised during the year	161,643	7,246	-	-
	177,202	1,150,695	31,725	809,295
• Under provision in respect of prior year	686	-	569	-
• Real property gains tax	-	14,781	-	14,781
	686	86,439	569	14,781

23. STAFF COSTS

The staff costs recognised in the statements of profit or loss and other comprehensive income are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Salaries and wages	371,860	379,461	117,000	259,461
Defined contribution plan	47,206	31,480	10,800	31,480
Other employee benefits	139,361	69,310	95,636	69,310
	558,427	480,251	223,436	360,251
Included in staff costs are:				
Directors' remuneration:				
- fees	79,517	58,508	79,517	58,508
- salaries and other emoluments	112,303	165,723	112,303	165,723

24. LOSS PER SHARE

	Group	
	2014	**2013**
	RM	**RM**
Loss attributable to the Owners of the Company	644,957	4,393,997
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 February	382,000,000	382,000,000
Effect of new ordinary shares pursuant to private placement	23,652,603	-
Weighted average number of ordinary shares at 31 January	405,652,603	382,000,000
Basic loss per share (sen)	0.16	1.15

Diluted earnings per ordinary share is not applicable and not presented because there are no dilutive potential ordinary shares to be issued.

25. ACQUISITION OF SUBSIDIARY COMPANIES

(a) During the previous financial year, the Company had on 9 April 2012 acquired additional 81,000 ordinary shares of RM1 each (representing 81% equity interest) in Hexa for a total cash consideration of RM550,000. Consequently, Hexa became a 100% owned subsidiary company of the Company. However, on 28 January 2013, Hexa issued additional 99,999 new ordinary shares to Nexfuel which resulted in the equity interest owned by the Group reducing from 100% to 50% plus 1 share.

(b) The fair value of the identifiable assets and liabilities of the subsidiary companies acquired as at the dates of acquisition were:-

	Acquiree's carrying amount and fair value recognised on acquisition	
	2014	**2013**
	RM	**RM**
Other investments (Note 9)	-	4,355,650
Amount due from contract customers	-	100,000
Cash and cash equivalents	-	1,000
Trade payables and accruals	-	(4,070)
Amount owing to directors	-	(4,003,075)
Group's share of net assets	-	449,505
Add: Goodwill on consolidation (Note 6)	-	2,352,570
Less: Gain on bargain purchase	-	(352,075)
Less: Reclassified from other investments (Note 9)	-	(1,900,000)
Total purchase consideration	-	550,000
Less: Cash and cash equivalents	-	(1,000)
Net cash outflow on acquisition of a subsidiary company	-	549,000

25. ACQUISITION OF SUBSIDIARY COMPANIES *cont'd*

(c) The acquired subsidiary companies have contributed the following results to the Group:-

	2014 RM	2013 RM
Revenue	-	2,249,998
Less: Cost of sales	-	(1,809,428)
Gross profit	-	440,570
Other operating expenses	-	(146,284)
Profit before taxation	-	294,286
Income tax expense	-	(71,658)
Profit for the year	-	222,628

(d) If the acquisitions have taken place at the beginning of the financial year, the management estimates that the consolidated revenue and consolidated loss after taxation for the year ended 31 January 2013 would have been RM2,312,998 and RM4,402,588 respectively.

26. DERECOGNITION OF SUBSIDIARY COMPANIES

During the previous financial year,

(a) As at 24 February 2012, the 33.8% equity interest owned Ecompazz ceased to be the subsidiary company to the Group as the Group has no representative in the Board of Ecompazz and was unable to exercise control or significant influence over it. Accordingly, Ecompazz has been reclassified to other investments.

(b) As at 31 July 2012, the Company has disposed of its 100% equity interest in Zymescience for a total consideration of RM2.

(c) As at 31 July 2012, Hexa, a subsidiary company, has disposed of its 100% equity interest in Zyme Engineering for a total cash consideration of RM50,000.

(d) As at 31 July 2012, the Company has disposed of its 79.8% equity interest in Zymesolutions for a total cash consideration of RM4,000,000.

26. DERECOGNITION OF SUBSIDIARY COMPANIES *cont'd*

(e) The derecognition had the following effects on the financial position of the Group:

	As at date of disposal	
	2014	**2013**
	RM	**RM**
Property, plant and equipment (Note 5)	-	5,643,484
Intangible assets (Note 6)	-	4,829,713
Trade receivables	-	1,400,035
Other receivables and deposits	-	295,259
Tax recoverable	-	103,782
Cash and cash equivalents	-	575,985
Other payables and accruals	-	(3,225,854)
Amount owing to directors	-	(112,494)
Tax liabilities	-	(38,496)
Deferred tax liabilities	-	(8,750)
Lease payable	-	(98,467)
Hire purchase liabilities	-	(1,020,854)
Term loan	-	(2,449,198)
Total net assets	-	5,894,145
Less: Non-controlling interests	-	(2,235,334)
	-	3,658,811
Share of post acquisition exchange reserve	-	(10,773)
Realisation of exchange reserve on inter-company balance	-	22,076
Goodwill on acquisition (Note 6)	-	7,497,810
Share of net assets disposed	-	11,167,924
Fair value of investment retained as other investments (Note 9)	-	(7,214,177)
Consideration received	-	(4,050,002)
Group's gain on derecognition of subsidiary companies (Note 21)	-	(96,255)
Consideration received	-	4,050,002
Less: Cash and cash equivalents of subsidiary companies disposed	-	(575,985)
Net cash inflow on disposal of subsidiary companies		3,474,017

27. SIGNIFICANT INTER-COMPANIES TRANSACTIONS

(a) Identities of related parties

i. The Group has a controlling related party relationship with its direct subsidiary companies as disclosed in Note 7 to the financial statements; and

ii. The Executive 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 between the Company and its subsidiary companies

	Company	
	2014	**2013**
	RM	**RM**
Proceeds from disposal of investments to subsidiary company	5,842,498	-
Proceeds from disposal of property, plant and equipment to subsidiary company	547,999	-
Dividend from a subsidiary company	-	250,000

(c) Compensation of key management personnel

Key management personnel includes the Group's and the Company's 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.

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

	Group and Company	
	2014	**2013**
	RM	**RM**
Executive Directors:-		
- salaries and other emoluments	105,103	157,523
- fees	17	8
	105,120	157,531
Non-executive Directors:-		
- salaries and other emoluments	7,200	8,200
- fees	79,500	58,500
	191,820	224,231

27. SIGNIFICANT INTER-COMPANIES TRANSACTIONS *cont'd*

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

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

	Group and Company	
	2014	**2013**
	RM	**RM**
Executive Directors:-		
RM50,000 and below	1	3
RM50,000 - RM150,000	1	2
Non-executive Directors:-		
RM50,000 and below	5	4

28. 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 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 the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its 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 operates principally in Malaysia but is exposed to United States Dollar arising from its offshore operation. Foreign currency denominated assets and liabilities together with expected cash flows from highly probably purchases and sales give rise to foreign exchange exposures.

The Group has a natural hedge to the extent that payments for foreign currency payables will be matched against receivable denominated in the same foreign currency or whenever possible, by intra group arrangements and settlements.

As at year end, the Group does not have any derivative financial instruments used to hedge foreign currency risk.

As at year ended 31 January 2014, the Group does not have any offshore operation and hence the exposure to foreign currency risk is minimal.

(b) Interest Rate Risk

As at year ended 31 January 2014, the Group does not have any interest bearing borrowings and hence there is no exposure to interest rate risk.

28. 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. 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% (2013: 10%) increase in the market price of the investment as at the end of the reporting period would have increased equity by RM409,000 (2013: Nil). A 10% (2013: 10%) decrease in market price would have had equal but opposite effect on equity.

(ii) Credit Risk

The Group's and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage its exposure 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 and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to Credit Risk

As the Group does 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. 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 two customers as at reporting period.

Ageing Analysis

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

	Group	
	Carrying amount	Carrying amount
	2014	2013
	RM	RM
Not past due	612,428	-

28. FINANCIAL INSTRUMENTS *cont'd*

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

(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 through advances from related parties.

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	Weighted Average Effective Rate	Carrying Amount	Contractual Undiscounted Cash Flows	On demand or Within 1 year	1 - 5 years	Total
2014	**%**	**RM**	**RM**	**RM**	**RM**	**RM**
Non-derivative financial liabilities						
Trade payables	-	442,500	442,500	442,500	-	442,500
Other payables, deposit and accruals	-	2,085,708	2,085,708	2,085,708	-	2,085,708
		2,528,208	2,528,208	2,528,208	-	2,528,208
Non-derivative financial liabilities						
Trade payables	-	754,750	754,750	754,750	-	754,750
Other payables, deposit and accruals	-	1,824,560	1,824,560	1,824,560	-	1,824,560
		2,579,310	2,579,310	2,579,310	-	2,579,310

(b) Capital Risk Management

The Group and the Company manage its 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 adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage its 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 capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

28. FINANCIAL INSTRUMENTS *cont'd*

(b) Capital Risk Management *cont'd*

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

	Group	
	2014	**2013**
	RM	**RM**
Total liabilities (excluded tax and deferred tax liabilities)	2,528,208	2,579,310
Less: Cash and cash equivalents	(1,224,068)	(1,904,464)
Net debts	1,304,140	674,846
Total equity attributable to owners of the Company	23,471,295	20,296,254
Debt-to-equity ratio	0.06	0.03

(c) Classification Of Financial Instruments

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Financial assets				
<u>Available-for-sale financial assets</u>				
Other investments	11,365,974	17,279,165	8,377,555	13,404,445
<u>Loans and receivables financial assets</u>				
Trade receivables	612,428	-	-	-
Other receivables and deposits	78,993	184,038	74,493	69,339
Amount owing by subsidiary companies	-	-	10,945,768	9,300
Deposits with a licensed financial institution	1,900,000	-	1,900,000	-
Cash and bank balances	1,224,068	1,904,464	94,764	1,606,090
	3,815,489	2,088,502	13,015,025	1,684,729
<u>Fair value through profit or loss</u>				
Marketable securities	4,091,252	-	-	-
Financial liabilities				
<u>Other financial liabilities</u>				
Trade payables	442,500	754,750	-	-
Other payables, deposit and accruals	2,085,708	1,824,560	1,996,678	1,686,341
Amount owing to subsidiary companies	-	-	-	739,195
	2,528,208	2,579,310	1,996,678	2,425,536

28. FINANCIAL INSTRUMENTS *cont'd*

(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.

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.

(e) Fair Value Hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 January 2014 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.

	2014 **RM**	**2013** **RM**
Level 1		
Marketable securities	4,091,252	-

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 January 2014.

29. 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 subsidiaries 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) Biofuel related products

Sale of compounds for use in biofuel processes.

(c) Biotechnology products

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

29. OPERATING SEGMENTS *cont'd*

Business segment

Group	Technology incubation RM	Biofuel related products RM	Biotechnology products RM	Elimination RM	Total RM
2014					
Revenue					
Sales to external customers	1,573,869	-	2,126,480	-	3,700,349
Results					
Segment results	(3,380,361)	-	(135,315)	-	(3,515,676)
Net unallocated expenses	-	-	-	-	2,806,868
Loss before taxation	-	-	-	-	(708,808)
Income tax expense	-	-	-	-	(686)
Loss for the year	-	-	-	-	(709,494)
Assets					
Segments assets	21,679,830	-	4,365,101	-	26,044,931
Unallocated assets	-	-	-	-	58
	21,679,830	-	4,365,101	-	26,044,989
Liabilities					
Segments liabilities	2,001,593	-	526,615	-	2,528,208
Total liabilities	2,001,593	-	526,615	-	2,528,208
Other segment information					
Capital expenditure	1,300,285	-	2,936,963	-	4,237,248
Depreciation of property, plant and equipment	316,891	-	8,288	-	325,179
Property, plant and equipment written off	780,696	-	17,656	-	798,352
Fair value loss on marketable securities	561,590	-	-	-	561,590
Impairment loss on other investments	2,018,014	-	-	-	2,018,014

29. OPERATING SEGMENTS *cont'd*

Business segment *cont'd*

Group	Technology incubation RM	Biofuel related products RM	Biotechnology products RM	Elimination RM	Total RM
2013					
Revenue					
Sales to external customers	-	-	2,312,998	-	2,312,998
Results					
Segment results	-	(219,658)	303,353	-	83,695
Share of results of associated companies	-	-	-	-	(1,858)
Net unallocated expenses	-	-	-	-	(4,397,986)
Loss before taxation	-	-	-	-	(4,316,149)
Income tax expense	-	-	-	-	(86,439)
Loss for the year	-	-	-	-	(4,402,588)
Assets					
Segments assets	18,413,621	4,147,711	444,845	-	23,006,177
Unallocated assets	-	-	-	-	51,068
	18,413,621	4,147,711	444,845	-	23,057,245
Liabilities					
Segments liabilities	1,677,041	15,294	886,975	-	2,579,310
Unallocated liabilities	-	-	-	-	71,658
Total liabilities	1,677,041	15,294	886,975	-	2,650,968
Other segment information					
Capital expenditure	1,359,071	-	57,003	-	1,416,074
Depreciation of property, plant and equipment	178,147	-	99,797	-	277,944
Bad debts written off	1,440,951	-	19,093	-	1,460,044
Property, plant and equipment written off	644,277	-	-	-	644,277
Impairment loss on other investments	2,222,931	-	-	-	2,222,931
Inventories written off	-	-	88,535	-	88,535

29. OPERATING SEGMENTS *cont'd*

Major customers

Revenue from two (2013: one) major customers, with revenue equal to or more than 10% of the Group's revenue, amounts to RM3,577,641 (2013: RM2,100,000).

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a) On 26 March 2013, the Company has completed the proposed disposal of Platinum Nanochem Sdn. Bhd. to Biofutures International PLC ("BIP") at an increased number of consideration shares totalling 21,018,714 new BIP shares wherein Total Platinum Holdings Sdn. Bhd. ("TPH") has an option to acquire at £0.06 after expiry of the 12 months lockup period. This resulted in a total gain on disposal of approximately RM5.7 million.

b) On 28 March 2013, the Company acquired the balance 20,000 shares in Eco-Sponge Sdn. Bhd. for a cash consideration of RM2.

c) On 12 June 2013, the Company entered into an agreement with Yeng Chun Seng for the disposal of 500,000 ordinary shares of RM1 each in Oval Alliance Sdn. Bhd. representing an equity of 19.99% for a cash consideration of RM550,000.

d) On 19 June 2013, the Company completed the Proposed Private Placement of 38,200,000 Placement shares at an issue price of RM0.10 per share.

31. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 20 February 2014, the Company subscribed for 25,000 new shares representing 20% equity interest in Nexfuel Limited for a cash consideration of USD200,000. On evendate Nexfuel Limited signed a licensing agreement with Cool Planet Energy Systems Inc for the technology to convert biomass to high octane gasoline.

32. SUPPLEMENTARY INFORMATION – BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and the Company at end of reporting period into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total accumulated losses of the Group and the Company				
- Realised	(20,262,253)	(19,745,301)	(17,960,663)	(17,833,194)
Less: Consolidation adjustments	1,713,548	1,841,555	-	-
Accumulated losses of the Group and the Company	(18,548,705)	(17,903,746)	(17,960,663)	(17,833,194)

33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 6 May 2014 by the Board of Directors.

Notice of
Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of the Company will be held at the Dewan Seroja, Kelab Golf Perkhimatan Awam, Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 23 July 2014 at 11.00 a.m. to transact the following businesses:

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 January 2014 and the Reports of Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect Mr Looi Kem Loong who retires by rotation as a Director of the Company pursuant to Article 69 of the Company's Articles of Association. **Ordinary Resolution 1**

3. To re-elect YB Datuk Nur Jazlan Bin Tan Sri Mohamed who retires as a Director of the Company pursuant to Article 74 of the Company's Articles of Association. **Ordinary Resolution 2**

4. To approve the payment of Directors' Fees of RM79,517.00 for the financial year ended 31 January 2014. **Ordinary Resolution 3**

5. To re-appoint Messrs. Siew Boon Yeong & Associates as the Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 4**

As Special Business

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

   AUTHORITY TO ISSUE SHARES **Ordinary Resolution 5**

   "**THAT** subject always to the Companies Act, 1965, Articles of Association 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 Section 132D of the Companies Act, 1965 to issue not more than ten percent (10%) of the issued capital 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."

7. To transact any other business of which due notice has been given.

BY ORDER OF THE BOARD

LOH WOAN FEN *(MIA 18335)*
WONG WEI FONG *(MAICSA 7006751)*
Secretaries

Kuala Lumpur
30 June 2014

Notes:

(i) 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 Articles of Association to issue a General Meeting Record of Depositors as at 15 July 2014. Only depositor whose name appears on the Record of Depositors as at 15 July 2014 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.

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

(iii) A proxy may but need to 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. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. 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.

(iv) 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.

(v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.

(vi) 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 Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 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 July 2014, 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 the taking of the poll and in default the instrument of proxy shall not be treated as valid.

Explanatory Note on Ordinary and Special Business:

1. ***Item 1 of the Agenda***
   This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

2. ***Item 4 of the Agenda***
   The proposed Ordinary Resolution 3 is in accordance with Article 76 of the Company's Articles of Association and if passed, will authorize the payment of Directors' Fees to the Directors of the Company for their services as Directors for the financial year ended 31 January 2014.

3. ***Item 6 of the Agenda***
   The proposed Ordinary Resolution 5, if passed, will authorize the Directors of the Company to issue not more than 10% of the issued share capital of the Company subject to the approvals of all relevant governmental/regulatory bodies.

   This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilized and accordingly no proceeds were raised.

   The purpose of the renewal of the mandate is for further possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

Analysis of Shareholdings

Authorised Share Capital : RM150,000,000
Issued and Fully Paid-Up Capital : RM84,040,000 Comprising 840,400,000 Ordinary Shares of RM0.10 each
Class of Shares : Ordinary Shares of RM0.10 each
Voting Rights : One (1) vote per Ordinary Share

ANALYSIS BY SIZE OF HOLDINGS AS AT 4 JUNE 2014

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	59	1.755	3,094	0.000
100 - 1,000	680	20.238	175,962	0.020
1,001 - 10,000	397	11.815	2,755,991	0.327
10,001 - 100,000	1,568	46.666	81,291,096	9.672
100,001 - 42,019,999 (*)	653	19.434	532,372,057	63.347
42,020,000 AND ABOVE (**)	3	0.089	223,801,800	26.630
Total:	**3,360**	**100.000**	**840,400,000**	**100.000**

Remark:
* - *Less than 5% of Issued Shares*
** - *5% and above of Issued Shares*

DIRECTORS' SHAREHOLDINGS AS AT 4 JUNE 2014

		Direct		Indirect	
No.	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Looi Kem Loong	733	- (i)	61,408,666 (ii)	7.31
2.	Lim Foo Seng	50	- (i)	-	-

Note:
(i) *Negligible*
(ii) *Deemed interested by virtue of the shareholdings in Acritaz Holdings Sdn Bhd and Platimas Sdn Bhd pursuant to Section 6A(4) of the Companies Act, 1965*

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 4 JUNE 2014

		Direct		Indirect	
No.	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	CPE Growth Capital Limited	93,500,000	11.13	-	-
2.	China Private Equity Investment Holdings Limited	-	-	50,000,000 (ii)	5.95
3.	Acritaz Holdings Sdn Bhd	50,154,500	5.97	-	-
4.	Looi Kem Loong	733	- (i)	61,408,666 (iii)	7.31

Note:
(i) *Negligible*
(ii) *Deemed interested by virtue of the shareholdings in CPE Growth Capital Limited*
(iii) *Deemed interested by virtue of the shareholdings in Acritaz Holdings Sdn Bhd and Platimas Sdn Bhd pursuant to Section 6A(4) of the Companies Act, 1965*

LIST OF TOP 30 HOLDERS AS AT 4 JUNE 2014

No.	Name	Holdings	%
1.	M & A Nominee (Asing) Sdn Bhd *Pledged Securities Account for CPE Growth Capital Limited (M&A)*	93,500,000	11.125
2.	Cartaban Nominees (Asing) Sdn Bhd *Exempt an for KGI Asia Ltd*	80,147,300	9.536
3.	Acritaz Holdings Sdn Bhd	50,154,500	5.967
4.	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt an for Nomura PB Nominees Ltd*	42,000,000	4.997
5.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Quek Soon Tiang*	35,030,000	4.168
6.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tiong Thai King*	30,500,000	3.629
7.	UOBM Nominees (Asing) Sdn Bhd *Exempt an for Sanston Financial Group Limited*	30,300,000	3.605
8.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kian Seng (Margin)*	25,732,300	3.061
9.	HSBC Nominees (Asing) Sdn Bhd *Exempt an for BSI SA (BSI BK SG-NR)*	24,000,000	2.855
10.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Ann Gee*	13,670,000	1.626
11.	Platimas Sdn Bhd	11,254,166	1.339
12.	Cartaban Nominees (Asing) Sdn Bhd *Standard Chartered Bank Singapore for Avestra Asset Management Ltd Maximiser Fund (MY011777700028)*	10,000,000	1.189
13.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wee Kok Chuan*	9,020,000	1.073
14.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lai Yee Ling*	9,020,000	1.073
15.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chai Ho*	8,015,000	0.953
16.	Oh Chwee Hoe	6,300,000	0.749
17.	Teng Pok Sang @ Teng Fook Sang	5,200,000	0.618
18.	Tye Yien Yin	5,000,500	0.595
19.	Ding Shukun	5,000,000	0.594
20.	HDM Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Leou Thiam Lai (M09)*	4,700,000	0.559
21.	Tang Chee Hong	4,200,000	0.499
22.	Joseph Goh Shee Chung	4,000,000	0.475
23.	Tan Chun Ming	4,000,000	0.475
24.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Kim Sing*	3,410,700	0.405
25.	Lau Pak Lam	2,900,000	0.345
26.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Yan Shiou*	2,700,000	0.321
27.	Tok Boon Seong	2,550,000	0.303
28.	Lee Ah Wah	2,040,000	0.242
29.	Chai Chat Leong	2,000,000	0.237
30.	Leong Su Fern Joyce	2,000,000	0.237

Analysis of Warrantholdings

Total Number of Warrants Issued : 420,200,000
Total Number of Outstanding Warrants : 420,200,000
Exercise Price : RM0.10

ANALYSIS BY SIZE OF HOLDINGS AS AT 4 JUNE 2014

Size of Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	1	0.225	66	0.000
100 - 1,000	10	2.252	3,765	0.000
1,001 - 10,000	45	10.135	328,270	0.078
10,001 - 100,000	234	52.702	12,749,666	3.034
100,001 - 21,009,999 (*)	150	33.783	183,161,383	43.589
21,010,000 AND ABOVE (**)	4	0.900	223,956,850	53.297
Total:	**444**	**100.000**	**420,200,000**	**100.000**

Remark:
* - *Less than 5% of Issued Warrants*
** - *5% and above of Issued Warrants*

DIRECTORS' SHAREHOLDINGS AS AT 4 JUNE 2014

		Direct		Indirect	
No.	**Name**	**No. of Warrants**	**%**	**No. of Warrants**	**%**
1.	Looi Kem Loong	-	-	30,704,333 (i)	7.31

Note:
(i) *Deemed interested by virtue of the shareholdings in Acritaz Holdings Sdn Bhd and Platimas Sdn Bhd pursuant to Section 6A(4) of the Companies Act, 1965*

LIST OF TOP 30 HOLDERS AS AT 4 JUNE 2014

No.	Name	Holdings	%
1.	Cartaban Nominees (Asing) Sdn Bhd *Exempt an for KGI Asia Ltd*	108,147,300	25.737
2.	M & A Nominee (Asing) Sdn Bhd *Pledged Securities Account for CPE Growth Capital Limited (M&A)*	65,000,000	15.468
3.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kian Seng (Margin)*	25,732,300	6.123
4.	Acritaz Holdings Sdn Bhd	25,077,250	5.967
5.	Cartaban Nominees (Asing) Sdn Bhd *Standard Chartered Bank Singapore for Avestra Asset Management Ltd Maximiser Fund (MY011777700028)*	20,000,000	4.759
6.	Cartaban Nominees (Asing) Sdn Bhd *Standard Chartered Bank Singapore for Avestra Asset Management Ltd Accelerator Fund (MY011777700027)*	18,017,200	4.287
7.	UOBM Nominees (Asing) Sdn Bhd *Exempt an for Avestra Asset Management Ltd*	15,000,000	3.569
8.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Quek Soon Tiang*	14,535,900	3.459
9.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tiong Thai King*	12,500,000	2.974
10.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Ann Gee*	8,550,000	2.034
11.	Platimas Sdn Bhd	5,627,083	1.339
12.	Tye Yien Yin	5,000,500	1.190
13.	Tan Ann Gee	4,500,000	1.070
14.	Tang Chee Hong	3,600,000	0.856
15.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)*	3,000,000	0.713
16.	HDM Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Leou Thiam Lai (M09)*	2,600,000	0.618
17.	Teng Pok Sang @ Teng Fook Sang	2,600,000	0.618
18.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Cheng Mun Leong (CHE0525C)*	2,500,000	0.594
19.	Lim Kwe Hua	2,500,000	0.594
20.	Mah Soon Huat	2,500,000	0.594
21.	Mah Woon Kiat	2,500,000	0.594
22.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chai Ho*	2,240,000	0.533
23.	Chan Yin Peng	2,220,000	0.528
24.	AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Satkunabalan A/L K Sabaratnam*	2,000,000	0.475
25.	Tan Chun Ming	2,000,000	0.475
26.	Lau Pak Lam	1,450,000	0.345
27.	Liew San Wai	1,421,500	0.338
28.	Teh Soon Seong	1,392,900	0.331
29.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Harry Lee Vui Khiun*	1,348,900	0.321
30.	Lee Ah Wah	1,270,000	0.302

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ASIA BIOENERGY TECHNOLOGIES BERHAD
(Company No. 774628-U)
(Incorporated in Malaysia under the Companies Act, 1965)

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 Seventh Annual General Meeting of the Company to be held at Dewan Seroja, Kelab Golf Perkhimatan Awam, Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 23 July 2014 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:-

Item	Agenda	Resolution	FOR	AGAINST
1.	Re-election of Mr Looi Kem Loong	Ordinary Resolution 1		
2.	Re-election of YB Datuk Nur Jazlan Bin Tan Sri Mohamed	Ordinary Resolution 2		
3.	Payment of Directors' Fees	Ordinary Resolution 3		
4.	Re-appointment of Auditors	Ordinary Resolution 4		
5.	Authority to issue shares	Ordinary Resolution 5		

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 .... day of July, 2014.

....
Signature of Shareholder(s)/Common Seal

Notes:

(i) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 50(f) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 15 July 2014. Only depositor whose name appears on the Record of Depositors as at 15 July 2014 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.

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

(iii) 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. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. 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.

(iv) 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.

(v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.

(vi) 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 situated at Level 17 The Gardens North Tower Mid Valley City Lingkaran Syed Putra 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 July 2014 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 the 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 SERVICES SDN BHD
Level 17 The Gardens North Tower
Mid Valley City Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

1st Fold Here