

**THIS CIRCULAR TO SHAREHOLDERS OF ASIA BIOENERGY TECHNOLOGIES BERHAD (“ABT” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. This Circular has been reviewed and approved by Mercury Securities Sdn Bhd, who is the Principal Adviser to the Company for the Proposed Share Consolidation (as defined herein).

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**ASIA BIOENERGY TECHNOLOGIES BERHAD**

(Company No. 774628-U)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-**

**PROPOSED CONSOLIDATION OF EVERY 3 ORDINARY SHARES IN ABT (“ABT SHARES” OR “SHARES”) INTO 1 ABT SHARE (“PROPOSED SHARE CONSOLIDATION”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**MERCURY SECURITIES SDN BHD**

(Company No. 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“EGM”) of ABT to be held at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 19 May 2017 at 3.00 p.m. or at any adjournment thereof is enclosed together with the Form of Proxy in this Circular.

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time and date appointed for holding the EGM. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last day, date and time for lodging the Form of Proxy : Wednesday, 17 May 2017 at 3.00 p.m.  
Day, date and time of the EGM : Friday, 19 May 2017 at 3.00 p.m.

**This Circular is dated 3 May 2017**

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

|                                |  |
|--------------------------------|--|
| <b>ABT or the Company</b>      | - Asia Bioenergy Technologies Berhad (774628-U)  |
| <b>ABT Group or the Group</b>  | - Collectively, ABT and its subsidiaries   |
| <b>ABT Shares or Shares</b>    | - Ordinary shares in the Company   |
| <b>Act</b>                     | - Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof   |
| <b>Adjustments</b>             | - Adjustments to the total number of the outstanding Warrants A and exercise price of Warrants A as a result of the Proposed Share Consolidation in accordance with provisions of Deed Poll A  |
| <b>Board</b>                   | - The Board of Directors of ABT  |
| <b>Books Closure Date</b>      | - 5.00 p.m. on a date to be determined by the Board in their absolute discretion as they deem fit and announced later, in which the shareholders who are registered in the Record of Depositors are entitled to the Consolidated Shares under the Proposed Share Consolidation |
| <b>Bursa Depository</b>        | - Bursa Malaysia Depository Sdn Bhd (165570-W)   |
| <b>Bursa Securities</b>        | - Bursa Malaysia Securities Berhad (635998-W)  |
| <b>By-Laws</b>                 | - The by-laws governing the SIS  |
| <b>Circular</b>                | - This circular to Shareholders  |
| <b>Consolidated Shares</b>     | - New ABT Shares after the Proposed Share Consolidation  |
| <b>Consolidated Warrants A</b> | - Adjusted Warrants A arising from the Adjustments   |
| <b>Convertible Securities</b>  | - Collectively, the Warrants A and SIS Options   |
| <b>Deed Poll A</b>             | - The deed poll constituting the Warrants A dated 17 March 2014  |
| <b>EGM</b>                     | - Extraordinary general meeting of ABT   |
| <b>EPS</b>                     | - Earnings per Share   |
| <b>FPE</b>                     | - Financial period ended   |
| <b>FYE</b>                     | - Financial year(s) ended / ending, as the case may be   |
| <b>Listing Requirements</b>    | - ACE Market Listing Requirements of Bursa Securities including any amendments made thereto from time to time  |
| <b>LPD</b>                     | - 6 April 2017, being the latest practicable date prior to the printing of this Circular   |
| <b>Market Days</b>             | - Any day on which Bursa Securities is open for trading in securities  |
| <b>Maximum Scenario</b>        | - Assuming all the outstanding Convertible Securities are exercised prior to the Proposed Share Consolidation  |

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**DEFINITIONS (CONT'D)**

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|  |   |
|--|---|
| <b>Mercury Securities or the Principal Adviser</b> | - Mercury Securities Sdn Bhd (113193-W)   |
| <b>Minimum Scenario</b>                            | - Assuming none of the outstanding Convertible Securities are exercised prior to the Proposed Share Consolidation   |
| <b>NA</b>  | - Net assets  |
| <b>Option Price</b>                                | - The price at which the holders of SIS Options can subscribe for 1 new ABT Share for every 1 SIS Option held   |
| <b>Previous Par Value Reduction</b>                | - Par value reduction of the Company completed on 21 April 2016, involving the cancellation of RM0.05 from the then existing par value of RM0.10 each of the Company        |
| <b>Proposed Consolidation Share</b>                | - Proposed consolidation of every 3 ABT Shares into 1 ABT Share   |
| <b>Record of Depositors</b>                        | - A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository   |
| <b>RM and sen</b>                                  | - Ringgit Malaysia and sen respectively   |
| <b>Rules of Bursa Depository</b>                   | - The Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 as amended from time to time                                 |
| <b>Shareholders</b>                                | - Registered holders of ABT Shares  |
| <b>SIS</b>   | - Share issuance scheme of the Company which took effect on 29 July 2015 for a period of 5 years  |
| <b>SIS Options</b>                                 | - Options which have been granted under the SIS pursuant to the By-Laws, where each holder of the SIS Options can subscribe for 1 new ABT Share for every 1 SIS Option held |
| <b>Warrants A</b>                                  | - Outstanding ABT warrants 2014/2024 issued by the Company pursuant to the Deed Poll A  |

In this Circular, words referring to the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified. All references to “you” in this Circular are to the Shareholders.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between amounts stated and the totals in this Circular are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that ABT’s plans and objectives will be achieved.

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

**Registered office:**

10th Floor, Menara Hap Seng  
No. 1 & 3 Jalan P. Ramlee  
50250 Kuala Lumpur

3 May 2017

**Board of Directors**

Dato' Seri Abdul Azim Bin Mohd Zabidi (*Independent Non-Executive Chairman*)  
Chu Chee Peng (*Senior Independent Non-Executive Director*)  
YM Tengku Ahmad Badli Shah Bin Raja Hussin (*Non-Independent Non-Executive Director*)  
Ong Tee Kein (*Independent Non-Executive Director*)  
Leung Kok Keong (*Executive Director*)  
Tan Sik Eek (*Executive Director*)

**To: The Shareholders**

Dear Sir / Madam,

**PROPOSED SHARE CONSOLIDATION**

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**1. INTRODUCTION**

On 17 April 2017, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Share Consolidation.

On 27 April 2017, Mercury Securities on behalf of the Board, announced that Bursa Securities had, vide its letter dated 27 April 2017, granted its approval for the Proposed Share Consolidation.

The purpose of this Circular is to provide you with relevant information on the Proposed Share Consolidation and to set out the views and recommendation of the Board as well as to seek your approval for the resolution pertaining to the Proposed Share Consolidation which will be tabled at the forthcoming EGM of the Company. The Notice of the EGM and the Form of Proxy are enclosed in this Circular.

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH APPENDIX I BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE CONSOLIDATION AT THE FORTHCOMING EGM.**

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## 2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation involves the consolidation of every 3 ABT Shares into 1 ABT Share. As at the LPD, the issued share capital of the Company is RM55,669,130.00 comprising 1,113,382,600 ABT Shares. For illustration purposes, the 1,113,382,600 ABT Shares (assuming none of the outstanding Convertible Securities are exercised into new Shares) will be consolidated into 371,127,533 Consolidated Shares pursuant to the Proposed Share Consolidation.

The actual number of Consolidated Shares will be determined based on the issued share capital of the Company at the Books Closure Date after taking into consideration any new ABT Shares that may be issued pursuant to the exercise of any outstanding Convertible Securities.

As at the LPD, there are 393,888,400 outstanding Warrants A in the Company and 43,000,000 SIS Options which have been granted but unexercised.

The Proposed Share Consolidation will result in an adjustment to the reference share price of ABT Shares listed and quoted on the ACE Market of Bursa Securities. For illustration purposes, based on the last transacted market price of ABT Shares as at the LPD of RM0.06, the theoretical adjusted reference share price of ABT Shares upon completion of the Proposed Share Consolidation is as follows:-

|   | No. of Shares | Market / theoretical<br>adjusted reference price<br>per Share                                       | <sup>(1)</sup> Total value |
|---|---------------|---|----------------------------|
|   | '000          | RM  | RM'000                     |
| As at the LPD                             | 1,113,383     | 0.06<br><i>(Last transacted market<br/>price as at the LPD)</i>                                     | 66,803                     |
| After the Proposed Share<br>Consolidation | 371,128       | <sup>(2)</sup> 0.18<br><i>(Theoretical adjusted<br/>reference share price after<br/>adjustment)</i> | 66,803                     |

### Notes:-

- (1) The total value was arrived at by multiplying the number of Shares in issue as at the LPD with the market / theoretical adjusted reference price per Share.
- (2) The theoretical adjusted reference share price is arrived at based on the following formula:-

$$\begin{aligned}
 \text{Theoretical adjusted reference share price} &= \text{Market price per Share (RM)} \times \frac{\text{Number of Shares as at the LPD ('000)}}{\text{Number of Shares after the Proposed Share Consolidation ('000)}} \\
 &= 0.06 \times \frac{1,113,383}{371,128} \\
 &= 0.18
 \end{aligned}$$

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Following the above, the illustration based on shareholdings of 1,000 Shares is as follows:-

|  | Assumed no. of Shares | Market / theoretical adjusted reference price per Share                                     | <sup>(1)</sup> Total value |
|--|-----------------------|---|----------------------------|
|  |                       | RM  | RM                         |
| As at the LPD                          | 1,000                 | 0.06<br><i>(Last transacted market price as at the LPD)</i>                                 | 60                         |
| After the Proposed Share Consolidation | 333                   | <sup>(2)</sup> 0.18<br><i>(Theoretical adjusted reference share price after adjustment)</i> | 60                         |

**Notes:-**

- (1) The total value was arrived at by multiplying the number of Shares held with the market / theoretical adjusted reference price per Share.
- (2) The theoretical adjusted reference share price is arrived at based on the following formula:-

$$\begin{aligned}
 \text{Theoretical adjusted reference share price} &= \text{Market price per Share (RM)} \times \frac{\text{Number of Shares as at the LPD}}{\text{Number of Shares after the Proposed Share Consolidation}} \\
 &= 0.06 \times \frac{1,000}{333} \\
 &= 0.18
 \end{aligned}$$

The Proposed Share Consolidation will also result in an adjustment to the reference price of existing Warrants A. For illustration purposes, based on the last transacted market price of Warrants A up to the LPD of RM0.03, the theoretical adjusted reference price of Warrants A upon completion of the Proposed Share Consolidation is set out in the following table.

|  | No. of Warrants A | Market / theoretical adjusted reference price per Warrant A                           | <sup>(1)</sup> Total value |
|--|-------------------|---|----------------------------|
|  | '000              | RM  | RM'000                     |
| As at the LPD                          | 393,888           | 0.03<br><i>(Last transacted market price as at the LPD)</i>                           | 11,817                     |
| After the Proposed Share Consolidation | 131,296           | <sup>(2)</sup> 0.09<br><i>(Theoretical adjusted reference price after adjustment)</i> | 11,817                     |

**Notes:-**

- (1) The total value was arrived at by multiplying the number of Warrants A in issue as at the LPD with the market / theoretical adjusted reference price per Warrant A.

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(2) The theoretical adjusted reference price is arrived at based on the following formula:-

$$\begin{aligned}
 \text{Theoretical adjusted reference price} &= \text{Market price per Warrant A (RM)} \times \frac{\text{Number of Warrants A as at the LPD ('000)}}{\text{Number of Warrants A after the Proposed Share Consolidation ('000)}} \\
 &= 0.03 \times \frac{393,888}{131,296} \\
 &= 0.09
 \end{aligned}$$

Pursuant to the Proposed Share Consolidation, the exercise price as well as the number of Warrants A will also be adjusted according to the provisions of Deed Poll A, which would be as follows:-

|            | Before the Adjustments |                      | After the Adjustments |                      |
|------------|------------------------|----------------------|-----------------------|----------------------|
|            | Exercise price (RM)    | Number of Warrants A | Exercise price (RM)   | Number of Warrants A |
| Warrants A | 0.10                   | 393,888,400          | 0.30                  | 131,296,133          |

Further details on the Adjustments are set out in Section 4.5.2 of this Circular.

Based on the above illustration, the Proposed Share Consolidation will increase the reference price per ABT Share and Warrants A but it will not have any impact on the total market value of these securities held by Shareholders and holders of Warrants A respectively.

Fractional entitlements for the Shares arising from the Proposed Share Consolidation shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company.

Fractional entitlements for the Warrants A arising from the Adjustments shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company.

## 2.1 Ranking

### 2.1.1 Consolidated Shares

The Consolidated Shares shall rank *pari passu* in all respects with one another.

### 2.1.2 Consolidated Warrants A

The Consolidated Warrants A shall rank *pari passu* in all respects with one another.

## 2.2 Suspension of trading

There will not be any suspension of trading of ABT Shares and Warrants A pursuant to the Proposed Share Consolidation.

## 2.3 Listing date and notices of allotment

The Consolidated Shares and Consolidated Warrants A will be listed and quoted on the ACE Market of Bursa Securities on the next Market Day after the Books Closure Date.



The notices of allotment will be issued and despatched to the entitled shareholders within 4 Market Days after the listing and quotation of the Consolidated Shares on the ACE Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

### 3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Board is of the view that the higher trading price of the Consolidated Share following the Proposed Share Consolidation may increase the profile of the Company amongst investors and lead to more attention by research houses and fund managers. This may in turn increase market interest and activity in the Consolidated Shares, and render the Consolidated Shares more attractive to investors.

As the Company has a large number of Shares in issue and a relatively low trading price range, the Board noted that a small movement in the Share price may result in high percentage movement in the Share price. The Proposed Share Consolidation would lead to a reduction in the number of Shares available in the market and may reduce the magnitude of fluctuation of the Company's market capitalisation.

Following the completion of the Proposed Share Consolidation, the theoretical market price of each Share will increase by 3 times and the total number of Shares in issue will be reduced by the corresponding ratio. Notwithstanding this, Shareholders should note that the Proposed Share Consolidation is not expected to alter the total value of the Consolidated Shares held by them. Further, as the Proposed Share Consolidation would lead to a reduction in the number of Shares available in the market, the Company will also benefit from easier management of smaller number of Shares.

### 4. EFFECTS OF THE PROPOSED SHARE CONSOLIDATION

#### 4.1 Share capital

The pro forma effects of the Proposed Share Consolidation on the issued share capital of the Company are as follows:-

|   | Minimum Scenario   |                      | Maximum Scenario   |                              |
|---|--------------------|----------------------|--------------------|------------------------------|
|   | No. of Shares      | Share capital (RM)   | No. of Shares      | Share capital (RM)           |
| Issued share capital as at the LPD  | 1,113,382,600      | 55,669,130.00        | 1,113,382,600      | 55,669,130.00                |
| Arising from the exercise of the outstanding SIS Options granted                  | -                  | -                    | 43,000,000         | <sup>(1)</sup> 2,150,000.00  |
| Arising from the conversion of all the outstanding Warrants A                     | -                  | -                    | 393,888,400        | <sup>(2)</sup> 39,388,840.00 |
| Reversal of SIS Options reserve upon full exercise of the outstanding SIS Options | -                  | -                    | -                  | 1,664,100.00                 |
| Reversal of Warrants A reserve upon full exercise of the outstanding Warrants A   | -                  | -                    | -                  | 333,452.00                   |
| Enlarged issued share capital   | 1,113,382,600      | 55,669,130.00        | 1,550,271,000      | 99,205,522.00                |
| <b>Issued share capital after the Proposed Share Consolidation</b>                | <b>371,127,533</b> | <b>55,669,130.00</b> | <b>516,757,000</b> | <b>99,205,522.00</b>         |

Notes:-

(1) Based on the Option Price of RM0.05 per SIS Option.

(2) Based on the exercise price of RM0.10 per Warrant A.

## 4.2

### NA and gearing

The pro forma effects of the Proposed Share Consolidation on the NA and gearing of the Group are as follows:-

#### Minimum Scenario

| Group level                   | Audited as at<br>31 March 2016<br>(RM'000) | (I)<br>After adjusting for<br>subsequent events <sup>(2)</sup><br>(RM'000) | (II)<br>After (I) and the<br>Proposed Share<br>Consolidation<br>(RM'000) |
|-------------------------------|--|--|--|
| Share capital                 | 86,671                                     | 55,669   | 55,669   |
| Reserves <sup>(1)</sup>       | (46,685)                                   | (3,349)  | <sup>(3)</sup> (3,649)   |
| Shareholders' equity / NA     | 39,986                                     | 52,320   | 52,020   |
| Non-controlling interest      | (1,537)                                    | (1,537)  | (1,537)  |
| <b>Total equity</b>           | <b>38,449</b>                              | <b>50,783</b>  | <b>50,483</b>  |
| No. of Shares in issue ('000) | 866,712                                    | 1,113,383  | 371,128  |
| NA per Share (RM)             | 0.05                                       | 0.05   | 0.14   |
| Total borrowings (RM'000)     | -  | -  | -  |
| Gearing ratio (times)         | -  | -  | -  |

#### Notes:-

- (1) Reserves include share premium, warrants reserve, share option reserve and accumulated losses or retained profits.
- (2) After adjusting for the following:-
  - (i) Previous Par Value Reduction;
  - (ii) private placement exercise of the Company completed on 1 June 2016, involving the issuance of 86,671,000 Shares at an issue price of RM0.05 each;
  - (iii) a total of 203,000,000 SIS Options granted to eligible employees from 5 October 2016 to 4 April 2017; and
  - (iv) issuance of new 160,000,000 Shares at an issue price of RM0.05 pursuant to the exercise of 160,000,000 SIS options granted from 27 October 2016 to 29 March 2017.
- (3) After deducting estimated expenses incidental to the Proposed Share Consolidation of approximately RM300,000.

## Maximum Scenario

| Group level                   | Audited as at<br>31 March 2016<br>(RM'000) | (I)<br>After adjusting for<br>subsequent events <sup>(2)</sup><br>(RM'000) | (II)<br>After (I) and assuming<br>full exercise of<br>Convertible<br>Securities <sup>(3)</sup><br>(RM'000) | (III)<br>After (II) and the<br>Proposed Share<br>Consolidation<br>(RM'000) |
|-------------------------------|--|--|--|--|
| Share capital                 | 86,671                                     | 55,669   | 99,206   | 99,206   |
| Reserves <sup>(1)</sup>       | (46,685)                                   | (3,349)  | (5,347)  | (4)(5,647)   |
| Shareholders' equity / NA     | 39,986                                     | 52,320   | 93,859   | 93,559   |
| Non-controlling interest      | (1,537)                                    | (1,537)  | (1,537)  | (1,537)  |
| <b>Total equity</b>           | <b>38,449</b>                              | <b>50,783</b>  | <b>92,322</b>  | <b>92,022</b>  |
| No. of Shares in issue ('000) | 866,712                                    | 1,113,383  | 1,550,271  | 516,757  |
| NA per Share (RM)             | 0.05                                       | 0.05   | 0.06   | 0.18   |
| Total borrowings (RM'000)     | -  | -  | -  | -  |
| Gearing ratio (times)         | -  | -  | -  | -  |

### Notes:-

- (1) Reserves include share premium, warrants reserve, share option reserve and accumulated losses or retained profits.
- (2) After adjusting for the following:-
  - (i) Previous Par Value Reduction;
  - (ii) private placement exercise of the Company completed on 1 June 2016, involving the issuance of 86,671,000 Shares at an issue price of RM0.05 each;
  - (iii) a total of 203,000,000 SIS Options granted to eligible employees from 5 October 2016 to 4 April 2017; and
  - (iv) issuance of new 160,000,000 Shares at an issue price of RM0.05 pursuant to the exercise of 160,000,000 SIS options granted from 27 October 2016 to 29 March 2017.
- (3) Assuming all the outstanding Convertible Securities are exercised into new Shares as follows:-
  - (i) 393,888,400 Warrants A outstanding are exercised at the exercise price of RM0.10 per Warrant A; and
  - (ii) 43,000,000 SIS Options granted on 4 April 2017 are exercised at an Option Price of RM0.05 per SIS Option;
- (4) After deducting estimated expenses incidental to the Proposed Share Consolidation of approximately RM300,000.

#### 4.3 Substantial Shareholders' shareholdings

The Proposed Share Consolidation will not have any effect on the percentage of the substantial Shareholders' shareholdings in the Company. However, the number of Shares held by the substantial Shareholders in the Company will reduce proportionately as a result of the Proposed Share Consolidation. The substantial shareholders of the Company based on the Register of Substantial Shareholders as at the LPD and the pro forma effects of the Proposed Share Consolidation on their shareholdings are as follows:-

##### Minimum Scenario

| Substantial Shareholders    | As at the LPD |      |               |         | After the Proposed Share Consolidation |      |               |         |
|-----------------------------|---------------|------|---------------|---------|--|------|---------------|---------|
|                             | Direct        |      | Indirect      |         | Direct                                 |      | Indirect      |         |
|                             | No. of Shares | (1)% | No. of Shares | (1)%    | No. of Shares                          | (3)% | No. of Shares | (3)%    |
| CPE Growth Capital Limited  | 93,500,000    | 8.40 | -             | -       | 31,166,666                             | 8.40 | -             | -       |
| Adamas Finance Asia Limited | -             | -    | (2)50,000,000 | (2)4.49 | -                                      | -    | (2)16,666,666 | (2)4.49 |
| Pelaburan MARA Berhad       | 84,000,000    | 7.54 | -             | -       | 28,000,000                             | 7.54 | -             | -       |

##### Notes:-

- (1) Based on the issued share capital of 1,113,382,600 Shares.
- (2) Deemed interest by virtue of the shareholdings in CPE Growth Capital Limited.
- (3) Based on the issued share capital of 371,127,533 Consolidated Shares.

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**Maximum Scenario**

| Substantial Shareholders    | As at the LPD |               | Assuming full exercise of Convertible Securities |               | After (I) and after the Proposed Share Consolidation |               |
|-----------------------------|---------------|---------------|--|---------------|--|---------------|
|                             | Indirect      |               | Indirect   |               | Indirect   |               |
|                             | (1)%          | No. of Shares | (3)%   | No. of Shares | (4)%   | No. of Shares |
| CPE Growth Capital Limited  | 8.40          | -             | 6.03   | -             | 6.03   | -             |
| Adamas Finance Asia Limited | -             | (2)50,000,000 | -  | (2)50,000,000 | -  | (2)3,23       |
| Pelaburan MARA Berhad       | 7.54          | -             | 5.42   | -             | 5.42   | -             |

**Notes:-**

- (1) Based on the issued share capital of 1,113,382,600 Shares.  
(2) Deemed interest by virtue of the shareholdings in CPE Growth Capital Limited.  
(3) Based on the enlarged issued share capital of 1,550,271,000 Shares.  
(4) Based on the issued share capital of 516,757,000 Consolidated Shares.

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#### 4.4 Earnings and EPS

The Proposed Share Consolidation will not have any effect on the consolidated earnings of ABT Group for the FYE 31 March 2018. The lower number of ABT Shares in issue upon completion of the Proposed Share Consolidation will result in a corresponding increase in the EPS of the Group.

#### 4.5 Convertible securities

Save for the outstanding SIS Options and Warrants A, the Company does not have any other outstanding convertible securities as at the LPD.

##### 4.5.1 SIS Options

As at the LPD, there are 43,000,000 SIS Options which have been granted but unexercised.

Consequential to the Proposed Share Consolidation, the Option Price and/or number of SIS Options which have been granted but not exercised prior to the Books Closure Date may be adjusted in accordance with the provisions of the By-Laws to ensure that the status of SIS Option holders is not prejudiced as a result of the Proposed Share Consolidation.

For illustrative purposes, the adjustment to the Option Price and number of outstanding SIS Options pursuant to the Proposed Share Consolidation is set out as follows:-

|             | Before the Proposed Share Consolidation |                       | After the Proposed Share Consolidation |                       |
|-------------|---|-----------------------|--|-----------------------|
|             | Option Price (RM)                       | Number of SIS Options | Option Price (RM)                      | Number of SIS Options |
| SIS Options | 0.05                                    | 43,000,000            | 0.15                                   | 14,333,333            |

##### 4.5.2 Warrants A

As at the LPD, there are 393,888,400 outstanding Warrants A in the Company.

Consequential to the Proposed Share Consolidation, the exercise price and/or number of Warrants A which are not exercised prior to the Books Closure Date may be adjusted in accordance with the provisions of the Deed Poll A to ensure that the status of the holders of Warrants A is not prejudiced as a result of the Proposed Share Consolidation.

For illustrative purposes, the adjustments to the exercise price and/or number of outstanding Warrants A which are not exercised prior to the Books Closure Date are set out below based on the following assumptions:-

- (i) the Books Closure Date has been fixed on the LPD; and
- (ii) the number of Warrants A outstanding as at the LPD.

Pursuant to Condition 4.1 under Schedule 5 of Deed Poll A and after taking into consideration Condition 1.1 under Schedule 6 of the Deed Poll A, the exercise price and the number of outstanding Warrants A which are not exercised prior to the Books Closure Date will be adjusted based on the following formula:-

$$\text{Adjusted exercise price} = \frac{\text{Existing exercise price} \times B}{C}$$

$$\text{Adjusted number of warrants} = \frac{\text{Existing number of warrants} \times C}{B}$$

where:-

*B* = The aggregate number of issued shares of ABT immediately before the Proposed Share Consolidation as at the Books Closure Date

*C* = The aggregate number of issued shares of ABT immediately after the Proposed Share Consolidation as at the Books Closure Date

Following the above, the Adjustments are as follows:-

$$\begin{aligned} \text{Adjusted exercise price of Warrants A} &= \frac{RM0.10 \times 1,113,382,600}{371,127,533} \\ &= \mathbf{RM0.30} \end{aligned}$$

$$\begin{aligned} \text{Adjusted number of Warrants A} &= \frac{393,888,400 \times 371,127,533}{1,113,382,600} \\ &= \mathbf{131,296,133} \end{aligned}$$

Such Adjustments will only be finalised on the Books Closure Date and will be effective on the next Market Day after the Books Closure Date. The rights and obligations of the holders of the existing Warrants A will remain unchanged, save for the aforesaid Adjustments. The holders of the existing Warrants A will be officially notified in due course on the effective Adjustments arising from the Proposed Share Consolidation.

## 5. TENTATIVE TIMELINE

Subject to all relevant approvals being obtained, the Proposed Share Consolidation is expected to be completed by the second quarter of 2017. The tentative timetable for the Proposed Share Consolidation is as follows:-

| Date        | Events   |
|-------------|--|
| 19 May 2017 | EGM for the Proposed Share Consolidation                             |
| June 2017   | Books Closure Date<br>Completion of the Proposed Share Consolidation |

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## **6. APPROVALS REQUIRED**

The Proposed Share Consolidation is subject to approvals being obtained from the following:-

- (i) Bursa Securities for the Proposed Share Consolidation, which was obtained on 27 April 2017;
- (ii) Shareholders at the forthcoming EGM for the Proposed Share Consolidation; and
- (iii) any other relevant parties / authorities, if required.

## **7. INTER-CONDITIONALITY**

The Proposed Share Consolidation is not conditional upon any other corporate exercise / scheme undertaken or to be undertaken by the Company.

## **8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed Share Consolidation, there are no other corporate exercises which have been announced by the Company but is pending completion as at the LPD.

## **9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the directors of the Company and/or major Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Share Consolidation.

## **10. BOARD'S RECOMMENDATION**

The Board, having considered the current and prospective financial position, needs and capacity of the Group, and after careful deliberation and taking into consideration the rationale and all other aspects of the Proposed Share Consolidation, is of the opinion that the Proposed Share Consolidation is in the best interests of the Company.

Accordingly, the Board recommends that Shareholders vote in favour of the resolution pertaining to the Proposed Share Consolidation to be tabled at the forthcoming EGM.

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## **11. EGM**

The EGM, the Notice of which is enclosed with this Circular, will be held at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 19 May 2017 at 3.00 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Share Consolidation.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the registered office of the Company not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

## **12. FURTHER INFORMATION**

You are requested to refer to Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of  
**ASIA BIOENERGY TECHNOLOGIES BERHAD**

**TAN SIK EEK**  
Executive Director

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**APPENDIX I – FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and the Directors, who collectively and individually accept full responsibility for the completeness and accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other material facts the omission of which would make any statement in this Circular false or misleading.

**2. CONSENT AND CONFLICT OF INTEREST**

The written consent of Mercury Securities, being the Principal Adviser for the Proposed Share Consolidation for the inclusion of its name in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

As at the LPD, Mercury Securities is not aware of any conflict of interest which exists or is likely to exist by virtue of its appointment as the Principal Adviser for the Proposed Share Consolidation.

**3. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of ABT Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:-

|                    | <b>High<br/>RM</b> | <b>Low<br/>RM</b> |
|--------------------|--------------------|-------------------|
| <b><u>2016</u></b> |                    |                   |
| May                | 0.050              | 0.035             |
| June               | 0.050              | 0.035             |
| July               | 0.045              | 0.035             |
| August             | 0.050              | 0.040             |
| September          | 0.050              | 0.040             |
| October            | 0.055              | 0.045             |
| November           | 0.060              | 0.045             |
| December           | 0.060              | 0.050             |
| <b><u>2017</u></b> |                    |                   |
| January            | 0.060              | 0.050             |
| February           | 0.080              | 0.050             |
| March              | 0.065              | 0.050             |
| April              | 0.065              | 0.050             |

Last transacted market price on 14 April 2017, being the last Market Day immediately prior to the announcement of the Proposed Share Consolidation (RM) 0.055

Last transacted market price as at the LPD (RM) 0.060

(Source: Bloomberg)

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****Material commitments**

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial results or position of the Group.

**Contingent liabilities**

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group, which may have a material impact on the profits or NA value of the Group.

**5. MATERIAL LITIGATION**

As at the LPD, neither ABT nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and, to the best of the Board's knowledge and belief, the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of ABT at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:-

- (i) Constitution of ABT;
- (ii) ABT's audited consolidated financial statements for the 14-month FPE 31 March 2015 and FYE 31 March 2016 as well as the unaudited consolidated financial statements for the 9-month FPE 31 December 2016; and
- (iii) the letter of consent referred to in Section 2 of Appendix I above.

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## ASIA BIOENERGY TECHNOLOGIES BERHAD

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

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Asia Bioenergy Technologies Berhad (“**ABT**” or the “**Company**”) will be held at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 19 May 2017 at 3.00 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:-

#### ORDINARY RESOLUTION

#### **PROPOSED CONSOLIDATION OF EVERY 3 ORDINARY SHARES INTO 1 NEW ORDINARY SHARE IN ABT (“PROPOSED SHARE CONSOLIDATION”)**

**THAT** upon the approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to give effect to the consolidation of every 3 ordinary shares in the Company into 1 new ordinary share each in the Company (“**Consolidated Share**”);

**THAT** the Consolidated Shares shall rank *pari passu* in all respects with one another **AND THAT** the fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and dealt with by the Board of Directors of the Company (“**Board**”) in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

**AND THAT** the Board be and is hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of the Company all such documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the above transactions with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities.”

By Order of the Board  
**ASIA BIOENERGY TECHNOLOGIES BERHAD**

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

*Company Secretaries*  
Kuala Lumpur  
3 May 2017

#### Notes:-

1. *For the purpose of determining a member who shall be entitled to attend this Extraordinary General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Paragraph 50(f) of the Company's Constitution to issue a General Meeting Record of Depositors as at 11 May 2017. Only depositor whose name appears on the Record of Depositors as at 11 May 2017 shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.*
2. *Each member entitled to attend and vote in person may appoint up to 2 proxies or attorneys or authorised representatives to attend and vote in its stead.*
3. *A proxy may but need not 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. Where a member appoints 2 proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of such Securities Account.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples beneficial owners in 1 Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
6. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
7. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting, i.e. before Wednesday, 17 May 2017 at 3.00 p.m, 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.*



**ASIABIO TECHNOLOGIES BERHAD**  
(Company No.: 774628-U)  
(Incorporated in Malaysia under the Companies Act, 1965)

**FORM OF PROXY**

|                        |
|------------------------|
| <b>CDS Account No.</b> |
|                        |

|                           |
|---------------------------|
| <b>No. of Shares held</b> |
|                           |

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 Extraordinary General Meeting of the Company to be held at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 19 May 2017 at 3.00 p.m. or any adjournment thereof, and to vote as indicated below:-

| Item | Agenda                       | Resolution          | FOR | AGAINST |
|------|------------------------------|---------------------|-----|---------|
| 1.   | Proposed Share Consolidation | Ordinary Resolution |     |         |

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this.....

Signature of Shareholder(s)/Common Seal

**Notes:-**

- For the purpose of determining a member who shall be entitled to attend this Extraordinary General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Paragraph 50(f) of the Company's Constitution to issue a General Meeting Record of Depositors as at 11 May 2017. Only depositor whose name appears on the Record of Depositors as at 11 May 2017 shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.
- Each member entitled to attend and vote in person may appoint up to 2 proxies or attorneys or authorised representatives to attend and vote in its stead.
- A proxy may but need not 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. Where a member appoints 2 proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- 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 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of such Securities Account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples beneficial owners in 1 Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- 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 Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting, i.e. before Wednesday, 17 May 2017 at 3.00 p.m. 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.



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AFFIX  
STAMP

**ASIA BIOENERGY TECHNOLOGIES BERHAD (774628-U)**  
**c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**

Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

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