

Company Name : **ASIA BIOENERGY TECHNOLOGIES BERHAD (“ABT” or “the Company”)**
Description : **MEMORANDUM OF UNDERSTANDING BETWEEN ASIABIO CAPITAL SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF ABT, HONG KONG YRZC INTERNATIONAL GROUP CO, LTD, SHAN XI HONG HUI FOOD LIMITED LIABILITY COMPANY AND SHAN DONG WANG JIA YUAN ZI HALAL FOOD BREWING CO, LTD**

1. INTRODUCTION

The Board of Directors of ABT is pleased to announce that its wholly-owned subsidiary company, Asiabio Capital Sdn. Bhd. (“ABC”) has on 3 June 2017 entered into a Memorandum of Understanding (“MOU”) with Hong Kong YRZC International Group Co, Ltd (“YRZC”), Shan Xi Hong Hui Food Limited Liability Company (“SXHHF”), and Shan Dong Wang Jia Yuan Zi Halal Food Brewing Co, Ltd (“SDWJYZHFB”) to form a collaboration between Malaysia and China to produce and export Halal-certified food products to global marketplace.

2. INFORMATION ON YRZC, SXHHF AND SDWJYZHFB

YRZC is a Hong Kong based private limited company, which was established on 30 March 2011, and is principally engaged in film and television production, Chinese heritage culture industry development, urban and tourism planning, environmental protection project, energy research and development, brand marketing and promotion, celebrity agency, yacht customisation, and construction industry.

SDWJYZHFB, a limited liability company with a long history and having its business address at Texas Galaxy Industrial Zone, Shandong, China, is principally a Halal food brewing company with jujube vinegar as its main product.

SXHHF, a limited liability company and having its business address at Temple Village, Shaanxi Province Dali County, Shaanxi Weinan City, China is principally engaged in baked goods, sesame seeds, bakery flours and sugar production company.

ABC, YRZC, SXHHF and SDWJYZHFB shall hereinafter be collectively referred to as the “Parties” or individually as the “Party” as the case may be.

3. SALIENT TERMS OF THE MOU

3.1 General area of collaboration

The scope of collaboration shall be carried out in the following areas: -

- (i) ABC will act as a global Halal-certified food product channeling centre and regulation body for food product development and quality;
- (ii) YRZC will be appointed by ABC to act as an exclusive business development agent in China;
- (iii) ABC and YRZC have agreed to accept the products of SDWJYXHFB and SXHHF and assist YRZC to apply for Halal-certified license from Jabatan Kemajuan Islam Malaysia (JAKIM) on behalf of SXHHF and SDWJYXHFB. YRZC will also be appointed to assist SDWJYXHFB and SXHHF by supplying Project Planner, Marketer, and Technical Optimisation Team;
- (iv) All parties will carry out research and development on the new products which will be integrated with both Chinese Culture and Islamic religious doctrine in order to create a brand which is ‘Trusted’ and Halal-certified;

- (v) All parties have agreed to share and exchange each party's technical team in order to form a team with good foundation for the research and development of new products.

4. RATIONALE

The objective of the MOU is to establish collaboration and explore opportunities to develop and produce, and export Halal-certified food products to global marketplace that is mutually beneficial to the Parties.

5. EFFECT OF THE MOU

The MOU is not expected to have any effect on the revenue, net assets, share capital and shareholdings structure of ABT.

6. TIMEFRAME OF THE MOU

There is no specific timeframe for the termination of the MOU.

7. DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

None of the Director and/or major shareholders of the Company and/or persons connected to them, has any interest, direct or indirect in this MOU.

8. DIRECTOR'S STATEMENT

The Board of Directors of ABT, having considered the rationale and terms of the MOU, is of the opinion that the MOU is in the best interest of the Company.

9. DOCUMENTS FOR INSPECTION

A copy of the MOU is available for inspection at the registered office of the Company located at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur during normal business hours on Mondays to Fridays (except Saturdays, Sundays and Public Holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 5 June 2017.