

Company Name : **ASIA BIOENERGY TECHNOLOGIES BERHAD (“ABT” or “the Company”)**

Description : **SUBSCRIPTION OF PRIVATE PLACEMENT SHARES OF DGB ASIA BERHAD (“DGB”) PURSUANT TO RULE 9.19(26) OF THE ACE MARKET LISTING REQUIREMENTS**

1. INTRODUCTION

The Board of Directors of Asia Bioenergy Technologies Berhad (“ABT” or “the Company”) wishes to announce that its wholly-owned subsidiary, Perfect Power Group Limited (“PPG”) has on 13 July 2017 subscribed to 48,900,000 Placement Shares of DGB Asia Berhad (“DGB”) at an issue price of RM0.03762 each (“DGB Placement Shares”) representing 9.09% of total enlarged issued and paid-up share capital of DGB for a total cash consideration of RM1,839,618.00 (“Consideration”) (“Subscription”).

2. DETAILS OF THE SUBSCRIPTION

2.1 Information of DGB

DGB is an investment holding company listed on ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). DGB, through its subsidiaries (“DGB Group”), involves in providing innovative and comprehensive automatic identification and data capture (“AIDC”) solutions, software and engineering services to various industries. AIDC refers to methods of identifying objects, collecting data from them, and entering that data directly into computer systems using a microprocessor controlled device. Its integrated AIDC solution suite is able to complement, extend the useful life and enhance the value of ERP systems and accounting software, as well as to provide seamless technical interface to AIDC technologies. DGB’s products and services are currently provided to customers in the hospitality and consumer services as well as other business verticals in the supply chain industry.

2.2 Information on PPG

PPG, which was incorporated as a Business Company in the British Virgin Islands on 26 May 2017, has an issued share capital of USD100 divided into 100 ordinary shares of USD1.00 each. PPG is principally involved in investing and trading of quoted securities and related activities.

2.3 Basis of Arriving At the Consideration

The Consideration was determined after fixing the issue price of RM0.03762 per Placement Share on 6 July 2017 which is calculated based on a representation of 10% discount of 10.0% to the 5-day Volume Weighted Average Price of DGB Shares of RM0.0418 which amounts to a total consideration of RM1,839,618.00.

2.4 Funding for the Subscription

The Consideration paid for the Subscription was funded entirely from internally generated funds of the Company.

2.5 Liabilities to be Assumed

There are no liabilities, including contingent liabilities and guarantees to be assumed by

ABT, arising from the Subscription.

3. RATIONALE AND PROSPECTS

ABT has interest in the business of automatic identification and data capture (AIDC) technologies currently being pursued by DGB which has a plan of expanding its presence throughout Southeast Asia countries. AIDC technologies provide a reliable means not only to identify but also to track items. It is possible to encode a wide range of information, from basic item or person identification to comprehensive details about the item or person. This technology is important to all businesses as it helps to reduce data entry costs, eliminate errors associated with identification and data collection and accelerate basic processes.

ABT believes that the AIDC technology will be useful to ABT Group as the technology can be applied within its group of investees companies and create synergies that may increase the value of its investments. ABT believes AIDC technology is set to become a staple technology in the world for every business and its outlook will remain favorable in the long term future due to increasing demand for AIDC technology in businesses.

4. RISK FACTORS

Save for the normal business and global economic risk, the Board of Directors of ABT is not aware of any other risk factors which may arise as a result of the Subscription.

5. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The Subscription is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and the substantial shareholders' shareholdings of ABT Group for the financial year ending 31 March 2018.

6. APPROVAL REQUIRED

The Subscription is not subject to any approvals being obtained by ABT.

7. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders and/or any person connected to the Directors and/or major shareholders of ABT has any interest, either direct or indirect in the Subscription.

8. DIRECTORS' STATEMENT

The Board of Directors of ABT having considered all aspects of the Subscription is of the opinion that the Subscription is in the best interest of the ABT Group.

9. PERCENTAGE RATIO

The highest percentage ratio applicable to the Subscription pursuant to Rule 10.02 of the ACE Market Listing Requirements of Bursa Securities is 4.60% based on the latest audited financial statements of ABT as at 31 March 2016.

This announcement is dated 13 July 2017.