

Company Name : **ASIA BIOENERGY TECHNOLOGIES BERHAD (“ABT” OR “THE “COMPANY”)**

Description : **- COLLABORATION AGREEMENT BETWEEN ASIABIO PETROLEUM SDN. BHD. AND ACME INDUSTRIAL SERVICES SDN. BHD.**

1.0 INTRODUCTION

The Board of Directors of ABT is pleased to announce that on 20 October 2017, Asiabio Petroleum Sdn. Bhd. (“ABP”), a wholly-owned subsidiary of the Company, had entered into a Collaboration Agreement (“Agreement”) with ACME Industrial Services Sdn. Bhd. (Company No. 1222661-P) (“ACME”) having its business address at Lot 606, Persiaran Raja Lumu, Pandamaran Industrial Estate, 42000 Port Klang, Selangor Darul Ehsan, to cooperate and collaborate to set up a fully integrated blasting and painting yard with complete facilities to specifically target multi-national well service companies contracted to complete the construction of the PETRONAS Refinery and Petrochemical Integrated Development (RAPID) Project within Pengerang Integrated Petroleum Complex (“PIPC”). This may include the blasting and painting and fabrication of pipes and other materials required for the project’s completion.

2.0 INFORMATION ON ABP AND ACME

2.1 Information on ABP

ABP, a wholly-owned subsidiary of the Company, was incorporated as a private limited company on 10 October 2014, with an issued capital of RM2.00 and 2 ordinary shares. ABP is principally involved in the business of project management, maintenance and engineering, as well as provision of manpower services to the onshore and offshore oil and gas industries.

ABP is the owner of an 8-wheel auto blast machine which will be the largest available for use at the PIPC job site and located at the lot at Sebahagian PTD 5305, PTD 2083, Mukim Pengerang, Daerah Kota Tinggi, Johor Darul Takzim.

2.2 Information on ACME

ACME, a private limited company incorporated in Malaysia on 17 March 2017 with an issued capital of RM100,000 and 100,000 ordinary shares, is principally involved in the construction and industrial services business which includes provisioning of manpower, Civil and Structural (C&S) works, mechanical fabrication, and blasting and painting works.

ACME has secured a five (5) acre industrial lot for purposes of fulfilling work requirements related to the on-going PIPC located in Pengerang, Johor, Malaysia.

ABP and ACME shall, hereinafter be collectively referred to as the “Parties” or individually as the “Party” as the case may be.

3.0 SALIENT TERMS OF THE AGREEMENT

3.1 Scope of collaboration

The scope of collaboration in the blasting and painting business shall include activities in the following areas: -

- i. ACME to provide fully secure yard with completed ground works for purposes of facilitating operation of a blasting and painting operation.
- ii. ABP to provide a ABR25-822 8-wheel Autoblast Machine as well as required equipment, materials and supplies and manpower to operate and execute blasting and painting works as well as Fabrication works.

In the event the activities involve including without limitation to mechanical fabrication and manual blast works which are not related to the direct use of Autoblast Machine, ACME hereby reserves the right at its sole and absolute discretion to the execution of works and appointment of sub-contractors that may applicable from time to time within the scope of this Agreement.

- iii. ABP to consider the provision of funding and/or fund raising, marketing, and management and consulting services.

The Parties hereto shall exercise their right of first refusal within the reasonable period whenever the works undertaken require relevant expertise and capabilities of the other party to this Agreement provided the offering price are reasonable and acceptable to the respective awarding party.

- iv. Quality Assurance/Quality Control services to be agreed to, complied with, and enforced by all parties.

The term of such mutual cooperation and necessary funding of each programme and activity enumerated above are not exhaustive and the Parties may agree to include such other programmes or activities as may be necessary and identified later which shall be mutually discussed and agreed upon in writing by both parties prior to the initiation of the particular programme or activity and such shall be negotiated as required.

3.2 General Investment & Financing Terms

The amount of investment or estimated total cost of collaboration required by the blasting and painting business is estimated to be not more than Ringgit Malaysia Five Million (RM 5,000,000.00), to be funded equally between the Parties.

ABP is considering investing in the blasting and painting business and/or actively assisting the Parties in sourcing for financing for the blasting and painting business in the aforesaid areas via internally generated funds.

The profit arising from the collaboration will be split equally between the Parties.

3.3 Duration and Termination

The Agreement shall commence on the date of execution of the Agreement and shall remain in force for a duration of one (1) year and shall continue to remain in force by a written agreement between the Parties.

Each Party may terminate the Agreement by providing three (3) months written notice in advance to the other Party. Upon termination, each Party shall return any documents retained by the same to its original owner accordingly.

4.0 RISK FACTORS

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

5.0 FINANCIAL EFFECTS

The Agreement will not have any material impact on the issued and paid-up capital of the Group and the earnings and net assets of the Group for financial year ending 31 March 2018 but is expected to contribute positively to the earnings of the Group.

6.0 STATEMENT BY DIRECTORS

The Directors are of the opinion that the Agreement is in the best interest of the Group after considering, amongst others, the potential financial contribution to the earnings of the Group.

7.0 APPROVAL REQUIRED

The Agreement does not require approval from any authority or shareholders.

8.0 DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

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

This announcement is dated 20 October 2017.