
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Energy Logistics Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licenced securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



ASIA ENERGY LOGISTICS GROUP LIMITED

亞洲能源物流集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 351)

**MAJOR TRANSACTION
ACQUISITION OF VESSELS**

Capitalised terms used in this cover page shall have the same meaning as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 5 to 15 of this circular.

A notice convening the Acquisition General Meeting to be held at Holiday Inn Express Hong Kong Soho, 38/F., No. 83 Jervois Street, Sheung Wan, Hong Kong on Friday, 16 March 2018 at 11:30 a.m. is set out on pages N-1 to N-3 of this circular. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Tricor Secretaries Limited, located at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

23 February 2018

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	16
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	21
APPENDIX III — VALUATION CERTIFICATES OF THE VESSELS	28
APPENDIX IV — GENERAL INFORMATION	32
NOTICE OF ACQUISITION GENERAL MEETING	N-1

DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context otherwise requires:

“Acquisition”	the acquisition of Vessel A and Vessel B by the Purchasers from the Vendors subject to and upon the terms and conditions of the MOAs
“Acquisition General Meeting”	the extraordinary general meeting of the Company to be held at Holiday Inn Express Hong Kong Soho, 38/F., No. 83 Jervois Street, Sheung Wan, Hong Kong on Friday, 16 March 2018 at 11:30 a.m. for the Shareholders to consider and, if thought fit, approve the MOAs and the transactions contemplated thereunder
“Announcement”	the announcement of the Company dated 23 January 2018 in relation to the Acquisition
“associate(s)”	has the meaning ascribed thereto under Rule 1.01 of the Listing Rules
“Baltic Dry Index (BDI)”	an important economic indicator reflecting the supply and demand trends of global shipping market
“Baltic Handysize Index (BHSI)”	a measure of the strength of smaller dry bulk vessel spot freight earnings (basis 28,000 dwt bulk carriers). The BHSI reflect average spot market Time Charter Equivalent (TCE) rates of several representative routes
“Banking Day”	a day on which banks are open in the United States of America, London, Copenhagen and Hong Kong
“Board”	the board of Directors
“Charterer”	an Independent Third Party and a privately owned company established under the laws of Bahamas with limited liability and specialised in dry bulk shipping. It is also a member of a well-established privately owned group headquartered in Northern Europe in the shipping business since the 1900s and operates a fleet of up to 160 vessels, whose principal operations include dry bulk pool management, roll-on/roll-off services, vessels performance and investments in ferry services, cruise ships and vessels
“Company”	Asia Energy Logistics Group Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 351)

DEFINITIONS

“Completion”	completion of the Acquisition in accordance with the MOAs
“Deposit Holder”	Reed Smith LLP, a law firm located in London, the United Kingdom
“Directors”	the directors of the Company
“DWT”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including bunker oil, fresh water, crew and provisions
“Fundraising General Meeting”	the extraordinary general meeting of the Company held on 26 January 2018 whereby the Placing and the Subscription were approved
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Independent Valuer”	Galbraith’s Ltd, one of the longest established and most respected shipbroking houses in the world and a member and shareholder of the Baltic Exchange, the London Tanker Brokers’ Panel, the Worldscale Association (London) and the Ship Valuation Panel
“Latest Practicable Date”	20 February 2018, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Ship Valuation Panel”	an organisation located in the United Kingdom that provides business services
“MOA 1”	memorandum of agreement dated 23 January 2018 and entered into between Purchaser A and Vendor A in relation to the acquisition of Vessel A

DEFINITIONS

“MOA 2”	memorandum of agreement dated 23 January 2018 and entered into between Purchaser B and Vendor B in relation to the acquisition of Vessel B
“MOAs”	MOA 1 and MOA 2
“P&I clubs”	Protection and Indemnity (P&I clubs) Associations, which are organisations of marine insurance providers to its members which consist of ship owners, operators, charterers and seafarers under the member companies
“Placing”	the placing of the new shares by the Company to the placee(s)
“Placing Agreement”	the placing agreement dated 30 November 2017 between the Company and a placing agent in respect of the Placing, particulars of which are set out in the Previous Circular
“Previous Circular”	the circular of the Company dated 5 January 2018
“Purchaser A”	Laurel Gold Shipping Limited, an indirect wholly-owned subsidiary of the Company
“Purchaser B”	Lotus Gold Shipping Limited, an indirect wholly-owned subsidiary of the Company
“Purchasers”	Purchaser A and Purchaser B
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the convertible bonds of the Company by the subscriber
“Subscription Agreement”	the subscription agreement dated 30 November 2017 and entered into between the Company and a subscriber in respect of the Subscription, particulars of which are set out in the Previous Circular

DEFINITIONS

“The Baltic Exchange”	the world’s only independent source of maritime market information for the trading and settlement of physical and derivative contracts. Its international community of over 600 members encompasses the majority of world shipping interests and commits to a code of business conduct overseen by the Baltic
“Time charter equivalent (TCE)”	a shipping industry measure used to calculate the average daily revenue performance of a vessel
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor A”	CFCL Handy Clip III LLC
“Vendor B”	CFCL Handy Clip IV LLC
“Vendors”	Vendor A and Vendor B
“Vessel A”	M.V. “Clipper Selo”
“Vessel B”	M.V. “Clipper Panorama”
“Vessels”	Vessel A and Vessel B
“%”	per cent.

The exchange rate adopted in this circular for illustration purposes only is US\$1.00 = HK\$7.8.

This circular has been printed in English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail over its Chinese text.

亞洲能源物流
ASIAENERGY
Logistics

ASIA ENERGY LOGISTICS GROUP LIMITED

亞洲能源物流集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 351)

Executive Directors:

Mr. Liang Jun
Mr. Fu Yongyuan
Mr. Lin Wenqing

Registered Office:

Room 2404, 24/F
Wing On Centre
111 Connaught Road Central
Hong Kong

Non-Executive Director:

Mr. Yu Baodong (*Chairman*)

Independent Non-Executive Directors:

Mr. Chan Chi Yuen
Mr. Siu Miu Man
Mr. Wong Cheuk Bun

23 February 2018

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION
ACQUISITION OF VESSELS**

INTRODUCTION

Reference is made to the Announcement in which it was announced that after trading hours on 23 January 2018: (i) Purchaser A, an indirect wholly-owned subsidiary of the Company, entered into MOA 1 with Vendor A to acquire Vessel A, which is a Handysize bulk carrier vessel with carrying capacity of about 32,000 DWT at a consideration of US\$10.3 million (equivalent to about HK\$80.34 million); and (ii) Purchaser B, an indirect wholly-owned subsidiary of the Company, entered into MOA 2 with Vendor B to acquire Vessel B, which is a Handysize bulk carrier vessel with carrying capacity of about 32,000 DWT at a consideration of US\$10.3 million (equivalent to about HK\$80.34 million).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further information of the Acquisition and the Vessels; (ii) financial and other general information of the Company; and (iii) the notice of the Acquisition General Meeting.

THE ACQUISITION

After the trading hours on 23 January 2018, (i) Purchaser A, an indirect wholly-owned subsidiary of the Company, entered into MOA 1 with Vendor A to acquire Vessel A, which is a Handysize bulk carrier vessel with carrying capacity of about 32,000 DWT at a consideration of US\$10.3 million (equivalent to about HK\$80.34 million); and (ii) Purchaser B, an indirect wholly-owned subsidiary of the Company, entered into MOA 2 with Vendor B to acquire Vessel B, which is a Handysize bulk carrier vessel with carrying capacity of about 32,000 DWT at a consideration of US\$10.3 million (equivalent to about HK\$80.34 million). Save as mentioned below, the principal terms of the MOAs are generally identical and are set out below:

MOA 1

Date: 23 January 2018

Parties: (1) Vendor A: CFCL Handy Clip III LLC
(2) Purchaser A: Laurel Gold Shipping Limited, an indirect wholly-owned subsidiary of the Company

MOA 2

Date: 23 January 2018

Parties: (1) Vendor B: CFCL Handy Clip IV LLC
(2) Purchaser B: Lotus Gold Shipping Limited, an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and its ultimate beneficial owner(s) are Independent Third Parties, and none of the Directors or controlling Shareholders has any interest, direct or indirect, in the Acquisition. No Director abstained from voting at the Board committee meeting convened and held to approve, among other things, the Acquisition.

LETTER FROM THE BOARD

Assets to be acquired

Pursuant to MOA 1, Purchaser A, an indirect wholly-owned subsidiary of the Company, has agreed to acquire Vessel A from Vendor A. Pursuant to MOA 2, Purchaser B, an indirect wholly-owned subsidiary of the Company, has agreed to acquire Vessel B from Vendor B. To the best of the Director's knowledge, information and belief, the Vessels were on charter to a third party as at the Latest Practicable Date.

Consideration

Pursuant to MOA 1, the consideration payable for Vessel A is US\$10.3 million (equivalent to about HK\$80.34 million) and the consideration will be paid in the following manner:

- (a) Purchaser A lodge a deposit in the sum of US\$1.03 million (equivalent to about HK\$8.034 million) representing 10% of the consideration ("**Deposit A**") in an escrow account for the parties with the Deposit Holder's bank by 14 February 2018, after the date that:
 - i) MOA 1 has been signed by the parties and exchanged;
 - ii) the escrow agreement has been signed by the Deposit Holder, Purchaser A and Vendor A and exchanged; and
 - iii) the Deposit Holder has confirmed in writing to the parties that it is ready to accept Deposit A.

As the above conditions (i), (ii) and (iii) have been fulfilled before 14 February 2018, Purchaser A had lodged Deposit A with the escrow account.

- (b) Deposit A shall be released from the Deposit Holder to Vendor A's account and the remaining balance of the consideration and all other sums payable on delivery by Purchaser A to Vendor A under MOA 1 shall be paid in full free of bank charges by Purchaser A to Vendor A by not later than three Banking Days after the date that notice of readiness has been given by Vendor A to Purchaser A. The aforementioned notice of readiness is a notice in writing from the respective Vendors to the respective Purchasers when the Vendor is ready to deliver the subject Vessel to the relevant Purchaser and the notice will state that the relevant Vessel is in all respect ready for delivery according to the terms and conditions of the relevant MOA (the "**Notice of Readiness**").

LETTER FROM THE BOARD

Pursuant to MOA 2, the consideration payable for Vessel B is US\$10.3 million (equivalent to about HK\$80.34 million) and the consideration will be paid in the following manner:

- (a) Purchaser B shall lodge a deposit in the sum of US\$1.03 million (equivalent to about HK\$8.034 million) representing 10% of the consideration (“**Deposit B**”) in an escrow account for the parties with the Deposit Holder’s bank by 14 February 2018, after the date that:
 - i) MOA 2 has been signed by the parties and exchanged;
 - ii) the escrow agreement has been signed by the Deposit Holder, Purchaser B, and Vendor B and exchanged; and
 - iii) the Deposit Holder has confirmed in writing to the parties that it is ready to accept Deposit B.

As the above conditions (i), (ii) and (iii) have been fulfilled before 14 February 2018, Purchaser B had lodged Deposit B with the escrow account.

- (b) Deposit B shall be released from the Deposit Holder to Vendor B’s account and the remaining balance of the aggregate consideration and all other sums payable on delivery by Purchaser B to Vendor B under MOA 2 shall be paid in full free of bank charges by Purchaser B to Vendor B by not later than three Banking Days after the date that Notice of Readiness (as defined on the previous page) has been given by Vendor B to Purchaser B.

If the Group cannot obtain approval from its Shareholders at the Acquisition General Meeting for the MOAs and the transactions contemplated thereunder or the Acquisition General Meeting cannot be held on or before 31 March 2018, each of the Vendors shall be entitled to US\$0.5 million (equivalent to about HK\$3.9 million) from Deposit A and Deposit B, respectively, while the balance of Deposit A and Deposit B shall be returned to Purchaser A and Purchaser B, respectively, with all accrued interest (if any) immediately after the execution and the delivery of the joint release instruction letters to the Deposit Holder. Such joint release instruction letter to the Deposit Holder will refer to the relevant MOA and contain the irrevocable instruction from the relevant Vendor and Purchaser to the Deposit Holder to effect payments to the relevant parties in accordance with the details of the bank accounts set out therein. The joint release instruction letter will also state the governing law of such letter, which will be the law of England and Wales, and any dispute or claim arising out of and in connection with it or its subject matter shall be governed by such governing law and the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim in relation to the joint release instruction letter or its subject matter.

LETTER FROM THE BOARD

The consideration for the Vessels has been determined by the parties after arm's length negotiations between the parties, taking into account (i) the current market values of similar type of vessels; (ii) the satisfactory results of the technical inspections on the physical condition of the Vessels (including (a) external structures and fittings; (b) main propulsion and manoeuvring systems; (c) electrical, navigation and protection systems; (d) steam, compressed air and cooling systems; (e) accommodation and safety equipments; and (f) lubricating oils and fuel oil systems) carried out by a renowned ship management company, namely MSI Ship Management Pte Ltd., an Independent Third Party to the best of the Directors' knowledge, information and belief having made all reasonable enquiries; and (iii) a valuation of Vessel A and Vessel B appraised by the Independent Valuer at US\$10.25 million (equivalent to about HK\$79.95 million) and US\$10.25 million (equivalent to about HK\$79.95 million) respectively, details of which are set forth in Appendix III to this circular. The Directors consider that the terms of the MOAs (including the consideration) are fair and reasonable and the MOAs are in the interest of the Company and the Shareholders as a whole.

In respect of the valuation of the Vessels, the Company has reviewed the valuation certificates and discussed with the Independent Valuer about the valuation approach and methodology adopted in the valuation of the Vessels. As advised by the Independent Valuer, the market approach is adopted in the valuation of the Vessels where the Independent Valuer has considered the factors including (i) the quality and reputation of the shipbuilder and the design of the Vessels; (ii) the country where the Vessels were built; (iii) the recent market activities including comparison with recent sales by age/size/quality of shipyard; and (iv) the prices of similar vessels which are for sale but unsold. Also as advised by the Independent Valuer, the Independent Valuer has incorporated its view of the sentiment in the market at that time in its valuation process. The Independent Valuer considered that market sentiment plays a very important role in the shipping industry that a positive or negative sentiment at the time of the valuation must be factored in when making references to comparable sales which may be weeks or months old.

Having assessed all the above factors, the Independent Valuer reached the opinion of the Vessels' evaluation which the Independent Valuer believed would reflect the market value of the Vessels at the date of the valuation.

It is currently expected that the consideration of Vessel A and Vessel B will be mainly funded by the proceeds from the Placing and the Subscription of US\$16.48 million (about HK\$128.54 million) in aggregate according to the planned use of proceeds disclosed in the Previous Circular and the balance of the consideration of US\$4.12 million (about HK\$32.14 million) will be funded by mortgage loan financing.

LETTER FROM THE BOARD

Conditions

Completion is conditional upon fulfillment of the following conditions:

- (i) the Company having convened the Fundraising General Meeting at which resolution(s) shall have been passed by its Shareholders to approve the Placing and the Subscription; and
- (ii) the Company having convened the Acquisition General Meeting at which resolution(s) shall have been passed by its Shareholders to approve the MOAs and the transactions contemplated thereunder.

The Fundraising General Meeting was convened on 26 January 2018 whereby the Placing and the Subscription were respectively approved.

Completion and Delivery Time

Pursuant to the MOAs, the delivery of the Vessels will take place between 15 March 2018 to 31 May 2018 (the “**Cancelling Date**”). If the Vendors anticipate that the respective Vessels will not be ready for delivery by the Cancelling Date, they may notify the Purchasers in writing stating the date when they anticipate that the respective Vessels will be ready for delivery and proposing a new cancelling date. Upon receipt of such notice, the Purchasers shall have the option of either cancelling the respective MOAs within three (3) Banking Days of receipt of the notice or of accepting the new date as the new cancelling date. If the Purchasers have not declared their respective options within such three (3) Banking Days’ period or if the Purchasers accept the new cancelling date proposed by the respective Vendors, such date shall be deemed to be the new cancelling date by which the respective Vessels shall be delivered to the Purchasers in substitution of the original Cancelling Date on 31 May 2018. Please also refer to the above paragraph headed “Consideration” for details of the payment of the consideration for the Vessels.

INFORMATION OF THE VESSELS

Set out below are the details of the Vessels:

	Vessel A	Vessel B
Name:	Clipper Selo	Clipper Panorama
Flag:	Marshall Islands	Marshall Islands
IMO Number:	9543251	9598995
Builder:	Jiangmen Nanyang, China	Jiangmen Nanyang, China
Year of Build:	2011	2011
Gross Tonnage:	20,924	20,969
Deadweight:	about 32,389 mt	about 32,500 mt

LETTER FROM THE BOARD

Upon signing of the MOAs, the Purchasers entered into two legally binding charterparties (the “**Charterparties**”) with the Charterer for Vessel A and Vessel B respectively. Set out below are the major terms of the Charterparties:

Rate of Hire (per day): <i>(Note 1)</i>	in the range of US\$8,000 to US\$8,500 (of each of the Vessels)
Implied Annual Income:	= Rate of Hire x Expected Hire days (350 days <i>(Note 2)</i>), US\$2.8 million to US\$2.98 million (of each of the Vessels)
Implied Gross Profit: <i>(Note 3)</i>	37% to 40% <i>(Note 4)</i>
Duration:	a fixed period of twenty-three (23) to twenty-five (25) months (the “ First Charter Period ”)
Option-granted:	the Charterer has the discretion to exercise an option to extend the charter period of eleven (11) to thirteen (13) months from the end of the First Charter Period

Note:

1. In determining the rate of hire with the Charterer, the Company has taken into account the prevailing BHSI, average TCE rates and the Charterparties duration.
2. When calculating the expected annual hire days, adjustments are made to account for off-service time including the number of days in dry dock or repairs, which are based on the normal operation of the Group’s existing vessel.
3. The implied gross profit was determined from the implied annual income and the estimated operating cost incurred by the Company under the Charterparties such as crew expenses, repair & maintenance, management cost, insurance, survey & services and spares etc.
4. The operating cost of the Vessels (comprising costs of crewing, maintenance, spares, surveys and insurances, etc.) was estimated based on the budget prepared by MSI Ship Management Pte Ltd., an independent ship management company.

As the above is based on the information currently available to the Company including (i) the estimated income based on the signed Charterparties; (ii) the estimated operating cost based on the budget provided by MSI Ship Management Pte Ltd.; and (iii) the relevant knowledge and experience of the Group’s management team, which has not been reviewed by the Company’s auditor and may be subject to adjustments. The Directors are of the view that there will be no material variance between actual result and the above estimation.

INFORMATION ON THE VENDORS

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Vendors is a privately owned company established under the laws of the Republic of the Marshall Islands with limited liability and is an investment holding company. To the best of the Directors’ knowledge, information and belief having

LETTER FROM THE BOARD

made all reasonable enquiries, both the Vendors are members of the same group (the “Vendor Group”) which is a global investment manager headquartered in the United States and active across a range of credit and private equity investment strategies.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the (i) railway construction and operations; and (ii) shipping and logistic businesses.

As set out in the 2017 interim report of the Company, the Group recorded revenue generated from its shipping and logistics segment during the six months ended 30 June 2017, of approximately HK\$7.8 million, representing an increase of approximately 105.3% as compared to the corresponding period of 2016. The Group recorded segment profit for its shipping and logistics business for the six months ended 30 June 2017 of approximately HK\$3.3 million while there was segment loss of approximately HK\$13.2 million in the corresponding period of 2016. The turnaround of the Group’s shipping and logistics segment is mainly attributable to the improvement of the shipping market following the rebound of the general commodities price.

Moreover, BDI also recovered significantly since 2016. The BDI has shown an increasing trend, which rose from 677 points on 1 July 2016 to 961 points on 31 December 2016 and further to 1,117 points as at the Latest Practicable Date, representing an increase by approximately 65.0% since 1 July 2016.

Therefore, the Group intends to seize the opportunity to expand the dry bulk vessel business after taking into account the improving performance of its shipping and logistics segment and the potential recovery of the international shipping market.

The Directors believe that the Acquisition will enable the Group to achieve economies of scale by fully utilising and exploiting the existing manpower of the Group and bring synergy to the Group’s existing shipping and logistic businesses. By building up the Group’s own fleet of dry bulk vessels, the average operating costs per vessel is expected to decrease. Moreover, with the flexibility of a fleet of dry bulk vessels (including the existing M.V. Asia Energy of the Group), the Group can manage risk exposure of its shipping business operation to the shipping market fluctuation more effectively by way of operating certain dry bulk vessels under long-term chartering contracts with the remaining dry bulk vessel(s) being operated under relative short-term chartering contracts.

Pursuant to the terms of the respective Charterparties, they will be enforced and valid only subject to the Purchasers’ successful acquisition of the title to the respective Vessels from the Vendors. The Group’s business strategy is to restructure the Group’s current business and investment portfolios as well as broadening the scope of its shipping business operations. The income to be generated from the Charterparties will yield a higher return and strengthen the overall financial position of the Group whilst those chartering income serve to generate stable cash inflow in the long term. The Directors are of the view that, with a larger fleet size and more effective fleet management, the Group’s shipping business will become more profitable in the future.

LETTER FROM THE BOARD

Based on the above, the Directors consider that the Acquisition is on normal commercial terms that are fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Company entered into both MOAs with the Vendors (both of which are members of the Vendor Group) in relation to the Acquisition on 23 January 2018, the acquisition of Vessel A will, pursuant to Rule 14.22 of the Listing Rules, be aggregated with the acquisition of Vessel B and treated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. As the highest relevant percentage ratio(s) calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition (on an aggregated basis) is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

According to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with an identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the 3 preceding financial years ended 31 December 2015, 2016 and 2017 (the “**Relevant Period**”) on the identifiable income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable income stream in relation to the Vessels in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the Vendors covering the Relevant Period is required. However, despite requests made by the Company with the Vendors, the Vendors have not agreed to grant permission for the Group and/or the Company’s auditor to gain full access to the abovementioned underlying books and records of the Vendors nor have they agreed to provide to the Group the above information in relation to the Vessels. The Company has therefore applied to the Stock Exchange for a waiver and was granted by the Stock Exchange, from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules. The Directors are of the view that the omission of the profit and loss statement on the identifiable income stream of the Vessels in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules and disclosure of the above information instead would not render this circular materially incomplete and misleading or deceptive.

ACQUISITION GENERAL MEETING

The Acquisition General Meeting will be held for the Shareholders to consider and, if thought fit, pass the requisite resolutions to approve the MOAs and the transactions contemplated thereunder. A notice convening the Acquisition General Meeting to be held at Holiday Inn Express Hong Kong Soho, 38/F., No. 83 Jervois Street, Sheung Wan, Hong Kong on Friday, 16 March 2018 at 11:30 a.m. is set out on pages N-1 to N-3 of this circular.

LETTER FROM THE BOARD

For the purpose of determining the entitlement to attend and vote at the Acquisition General Meeting, the register of members of the Company will be closed from Tuesday, 13 March 2018 to Friday, 16 March 2018 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the Acquisition General Meeting, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 12 March 2018.

A form of proxy for use at the Acquisition General Meeting is enclosed with this circular. Whether or not you intend to attend the Acquisition General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Acquisition General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Acquisition General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes for the Shareholders at a general meeting must be taken by poll. As such, all resolutions to be proposed at the Acquisition General Meeting will be put to vote by way of poll.

Mr. Zhu Gongshan ("**Mr. Zhu**") is an executive director and a substantial shareholder of GCL-Poly Energy Holdings Limited, a public limited liability company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange (Stock Code: 3800), which indirectly wholly owns the entire issued share capital of GIC Investment Limited, being the subscriber (the "**Subscriber**") of the 5.5% convertible bonds (the "**Convertible Bonds**") due 2021 in the aggregate principal amount of HK\$100,000,000 to be issued by the Company under the Subscription, the particulars of which are set out in the Previous Circular. As at the Latest Practicable Date, Mr. Zhu was interested in approximately 7.31% of all the issued Shares.

Given that the net proceeds from the Subscription will be mainly applied to satisfy the consideration payable by Purchaser A to Vendor A for the acquisition of Vessel A and that under the terms and conditions of the Convertible Bonds the Subscriber has the right to early redeem the Convertible Bonds in full at 116.5% of their aggregate principal amount then outstanding if Vessel A is not delivered to Purchaser A within two (2) months of the date of issue of the Convertible Bonds or such longer period as the Subscriber may agree, Mr. Zhu is therefore considered to have an interest in the Acquisition that is additional to and different from that of the other Shareholders. For this reason, Mr. Zhu and his associates will abstain from voting on the resolutions in respect of the Acquisition at the Acquisition General Meeting.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save as mentioned above, no Shareholder is required to abstain from voting when casting votes on the resolutions to approve the MOAs and the transactions contemplated thereunder at the Acquisition General Meeting in accordance with the Listing Rules.

FINANCIAL EFFECT OF THE ACQUISITION ON THE GROUP

Upon Completion, the Vessels will become major revenue generating assets of the Company and their relevant revenue and expenses will be recognized in the Group's result for the year ending 31 December 2018.

As referred to the 2017 interim report of the Company, the unaudited consolidated net liabilities of the Group as at 30 June 2017 amounted to approximately HK\$138.6 million, comprising total assets of approximately HK\$1,715.4 million and total liabilities of approximately HK\$1,854.0 million.

As referred to the annual report of the Company for the year ended 31 December 2016, the total loss for the year ended 31 December 2016, attributable to the owners of the Company, was approximately HK\$267.4 million.

According to the unaudited pro forma financial information of the Group as set out in Appendix II to this circular, the unaudited pro forma consolidated total assets and total liabilities of the Group as at 30 June 2017 would remain unchanged at approximately HK\$1,715.4 million and HK\$1,854.0 million respectively upon Completion, assuming that the Acquisition had taken place on 30 June 2017. Accordingly, the unaudited pro forma consolidated net assets of the Group as at 30 June 2017 would be unchanged.

RECOMMENDATION

Having considered the above, the Directors consider that the terms of MOAs are fair and reasonable and the entering into of the MOAs is in the interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of the resolutions to be proposed at the Acquisition General Meeting to approve the MOAs and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this circular.

By order of the Board of
Asia Energy Logistics Group Limited
Liang Jun
Executive Director

1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

Financial information of the Group for the year ended 31 December 2014, the year ended 31 December 2015, the year ended 31 December 2016 and the six months ended 30 June 2017 are disclosed on pages 33-103 of the 2014 annual report published on 20 March 2015, pages 35-103 of the 2015 annual report published on 24 March 2016, pages 43-112 of the 2016 annual report published on 6 April 2017 and pages 28-61 of the 2017 interim report published on 30 August 2017 respectively.

The said annual reports and interim report of the Company are available on the Company's website at <http://www.aelg.com.hk> and website of the Stock Exchange at <http://www.hkexnews.hk> through the links below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0830/LTN20170830039.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0406/LTN20170406093.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0407/LTN20160407289.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0402/LTN20150402057.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2017, the Group had outstanding bank and other loans of approximately HK\$1,657 million and convertible notes in the principal amount of HK\$3 million as detailed below:

Bank and other borrowings

As at the close of business on 31 December 2017, the Group had outstanding secured bank loans of approximately HK\$1,086 million and unsecured other loans of approximately HK\$571 million. The bank loans were secured by guarantees provided by a connected party, Golden Concord Holdings Limited ("GCHL"). In return for GCHL's guarantees, the Group has provided a counter-guarantee to the extent of the equity interest held by the Group in each of the relevant subsidiaries principally engaged in railway construction and operations (the "Railway Subsidiaries"), and share mortgage, equity and asset pledges of the Company's Railway Subsidiaries in favour of GCHL.

Convertible notes

As at the close of business on 31 December 2017, the Group had outstanding convertible notes in the principal amount of approximately HK\$3 million.

Material guarantees

The Company has executed a counter-guarantee to indemnify GCHL up to approximately RMB529,578,000 equivalent to approximately HK\$633,534,000 as at 31 December 2017, in return of which GCHL has agreed to execute guarantees to a bank in respect of bank loans granted to the Group's Railway Subsidiaries. Under the counter-guarantee, the Company will be liable to pay GCHL (including all related accrued interests, costs and expenses incurred, if any) in the event of any default of the bank loans.

Saved as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not, at the close of business on 31 December 2017, have any outstanding loan capital, bank overdrafts, charges or debentures, mortgages, term loans, debt securities or any other similar indebtedness or any finance lease commitments, hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptable credits or any guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the financial or trading position or prospects of the Group since 31 December 2016 (being the date which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

In determining the sufficiency of the working capital of the Group, the Directors have made the following assumptions:

- (i) for the purpose of the Acquisition, one of the conditions precedent for completion of the Acquisition requires the resolutions to be proposed at the Fundraising General Meeting in relation to the placing of new shares and the subscription of convertible bonds of the Company (the "Placing and Subscription") having been passed by the Shareholders. With reference to the announcement of the Company dated 26 January 2018, the Placing and Subscription have been approved by the Shareholders on 26 January 2018. Accordingly, the proceeds from the Placing and Subscription are included in the Group's working capital forecast;

- (ii) The Group started its investment in railway construction and operations in July 2009 through three subsidiaries, namely 承德遵小鐵路有限公司 (Chengde Zunxiao Railway Limited*) (“Zunxiao Company”), 承德寬平鐵路有限公司 (Chengde Kuanping Railway Limited*) (“Kuanping Company”), 唐山唐承鐵路運輸有限責任公司 (Tangshan Tangcheng Railway Transportation Company Limited*) (“Tangcheng Company”) (collectively referred as the “Railway Subsidiaries”). The business scope of the Railway Subsidiaries consists of the construction and operation of Zunxiao Railway a 121.7 kilometer singletrack railway with 12 stations connecting two major municipalities in the Hebei Province, namely Tangshan City (唐山市) and Chengde City (承德市), in the PRC.

However, as disclosed in the Company’s previous financial reports, the construction progress has been obstructed significantly owing to contingent circumstances. For the past few years, GCHL has been providing financial support to the Railway Subsidiaries to meet its financial obligations. The Directors, after (i) enquiring with management of GCHL and the inspection of the latest audited financial statements of GCHL for the year ended 31 December 2016 and (ii) having obtained confirmation from GCHL that it will continue to provide such financial support to the Railway Subsidiaries and will not demand them for repayment, consider GCHL has sufficient financial ability and willing to continue to provide financial support to the Railway Subsidiaries; and

- (iii) The Group started its dry bulk shipping business in May 2010 by acquiring the entire interest in Ocean Jade Investments Limited (“Ocean Jade”). Ocean Jade holds a 50% interest in a company which is jointly controlled entity (the “JV Company”), and together with its subsidiaries (the “JV Group”) with Waibert Navigation Company Limited (“Waibert”), a wholly-owned subsidiary of the Guangdong Province Navigation Holdings Company Limited, one of the key provincial government owned enterprise. The JV Company is principally engaged in the investments in ship assets and provision of coal shipments services.

In accordance with the shareholders’ agreement, each of the joint venture partner and the Group are responsible to purchase two vessels for contribution to the JV Company as part of funds to be contributed. Two vessels had been purchased by the joint venture partner while the Group has not yet purchased the remaining two vessels.

The Group and the joint venture partner had preliminary discussions and concluded the mutual intentions on withholding the enforcement of the Group’s obligations under a shareholders’ agreement to acquire the two remaining vessels until the Group’s financial position is improved and the shipping market recovers to a level which justify the further acquisition of the two remaining vessels or otherwise discharge the Group’s obligations under a shareholders’ agreement to acquire the two remaining vessels.

* For identification purpose only

The Directors are of the opinion that, after taking into account (i) the Group's existing cash and bank balances; (ii) the Company will be able to obtain the proceeds from the Placing and Subscription; (iii) the financial support from GCHL which has sufficient financial ability to continue to provide financial support to the Railway Subsidiaries; (iv) the Group and the joint venture partner had preliminary discussions and concluded the mutual intentions on withholding the enforcement of the Group's obligations under a shareholders' agreement to acquire two additional vessels; and (v) and other internal resources available; the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this circular in the absence of unforeseen circumstances.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the (i) railway construction and operations; and (ii) shipping and logistics businesses.

Upon Completion, the Vessels will become major revenue generating assets of the Group. Based on the unaudited pro forma statement of financial position of the Group as set out in Appendix II to this circular, the net liabilities recorded by the Group as at 30 June 2017 was approximately HK\$138.6 million and the unaudited pro forma net assets of the Group will also be approximately HK\$138.6 million.

In the coming years, after Completion, the Group will continue to develop its existing businesses to further enhance the business portfolio of the Group and to improve its business performance. The management of the Group will continue to review its existing businesses from time to time and strive to improve the business operation and financial position of the Group.

For the railway business, the Directors intend to retain the railway business after considered that (i) the Zunxiao Railway is the major asset of the Company, which accounted for approximately 95.7% of the total assets of the Company as at 30 June 2017 according to the 2017 interim report of the Company; (ii) the retention of the railway business can allow the Company to maintain a sufficient level of operations; (iii) revenue of the railway business will be generated after the completion of the construction of Zunxiao Railway. As disclosed by the Company previously, the outstanding issue which caused the prolonged delay of the construction related mainly to the assessment of the scope of compensation payable to the overlaid mine owner. Although the Company has been seeking help and support from the relevant governmental authorities in coordinating the discussion and negotiation with the mine owner, no agreement has been reached by the parties involved in respect of the scope of compensation payable as at the Latest Practicable Date. The Group is seeking for professionals with expertise in infrastructure construction management to assess the construction cost of the outstanding railway sections and to put forward any possible solutions to the Company and the relevant authorities to expedite the construction progress. Meanwhile, the Company is striving to explore different fundraising means in order to obtain sufficient capital commitment to sustain its railway construction and operations and will publish further announcements as and when appropriate.

For the shipping and logistics business, the Board considers that the Acquisition will enable the Group to broaden its source of revenue and achieve economies of scale by fully utilising and exploiting the existing manpower of the Group and bring synergy to the Group's existing shipping and logistic businesses. The Acquisition therefore offers a valuable opportunity to enhance the long-term growth potential of the Group which is in line with the Company's business plan. In addition, The BDI has shown an increasing trend, which rose from 677 points on 1 July 2016 to 961 points on 23 December 2016 and further to 1,117 points as at the Latest Practicable Date, representing an increase by approximately 65.0% since 1 July 2016. The Directors consider that it is a signal of improvement in the dry bulk market and is also beneficial for the Group to maintain the existing vessel chartering business.

Looking ahead, in order to expand the scale of shipping and logistics business and improve the financial position of the Group, the Group will continue to seek suitable investment opportunities to expand the fleet size by acquiring vessels of similar or other carrying capacity and enhance the long-term growth potential of the Group. As at the Latest Practicable Date, except for the Vessels, the Group has not yet identified any potential investment targets.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**Introduction**

The unaudited pro forma financial information (the “Unaudited Pro Forma Financial Information”), comprising the unaudited pro forma consolidated statement of financial position of Asia Energy Logistics Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) and related notes, has been prepared in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effect of the proposed acquisition of two vessels (the “Vessels”) (the “Acquisition”) as if they had been completed on 30 June 2017.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2017 as set out in the published interim report of the Group for the six months ended 30 June 2017, after making pro forma adjustments relating to the Acquisition that are (i) directly attributable to the Acquisition and (ii) factually supportable, as if the Acquisition had been completed on 30 June 2017.

The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates and uncertainties for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Group following the completion of the Acquisition and does not purport to illustrate the actual financial position of the Group that would have been attained had the Acquisition been effected on the date indicated herein. Further, the Unaudited Pro Forma Financial Information of the Group does not purport to predict the future financial position of the Group after the completion of the Acquisition.

The Unaudited Pro Forma Financial Information of the Group after the Acquisition should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and other financial information included elsewhere in this circular.

Unaudited Pro Forma Consolidated Statement of Financial Position

	Unaudited consolidated statement of financial position of the Group as at 30 June 2017		Unaudited pro forma consolidated statement of financial position of the Group as at 30 June 2017
	<i>HK\$'000</i> <i>(Note 1)</i>	<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	34,930	161,880	196,810
Intangible assets	1,000		1,000
Construction in progress	1,623,856		1,623,856
Railway construction prepayment	8,487		8,487
Interest in a joint venture	—		—
	<u>1,668,273</u>		<u>1,830,153</u>
Current assets			
Other receivables and prepayments	37,211		37,211
Cash and cash equivalents	<u>9,901</u>	(161,880)	<u>(151,979)</u>
	<u>47,112</u>		<u>(114,768)</u>
Current liabilities			
Trade and other payables	153,274		153,274
Bank loans and other borrowings	520,038		520,038
Convertible notes	535		535
Amount due to a joint venture	125,558		125,558
Amounts due to minority equity owners of subsidiaries	<u>8,427</u>		<u>8,427</u>
	<u>807,832</u>		<u>807,832</u>
Net current liabilities	<u>(760,720)</u>		<u>(922,600)</u>
Total assets less current liabilities	<u>907,553</u>		<u>907,553</u>

	Unaudited consolidated statement of financial position of the Group as at 30 June 2017		Unaudited pro forma consolidated statement of financial position of the Group as at 30 June 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	
Non-current liabilities			
Bank loans	1,046,168		1,046,168
Contingent consideration payable	<u>—</u>		<u>—</u>
	<u>1,046,168</u>		<u>1,046,168</u>
Net liabilities	<u><u>(138,615)</u></u>		<u><u>(138,615)</u></u>
Capital and reserves attributable to owners of the Company			
Share capital	1,600,694		1,600,694
Reserves	<u>(1,662,315)</u>		<u>(1,662,315)</u>
Equity attributable to owners of the Company	(61,621)		(61,621)
Non-controlling interests	<u>(76,994)</u>		<u>(76,994)</u>
Total equity	<u><u>(138,615)</u></u>		<u><u>(138,615)</u></u>

Notes to the unaudited pro forma financial information

- (1) The amounts are extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2017 as set out in the published interim report of the Group for the six months ended 30 June 2017.
- (2) The adjustment is to reflect the Acquisition at the cash consideration of US\$20,600,000 (equivalent to approximately HK\$160,680,000) and other directly attributable costs of approximately HK\$1,200,000. The vessels are classified as property, plant and equipment as the vessels will be chartered out for earning income. The vessels are initially measured at cost (inclusive of transaction costs) and subsequently measured at cost less any recognised impairment loss. Based on the cash and cash equivalent as at 30 June 2017, the Group would not have sufficient cash and cash equivalent to settle the purchase consideration. Therefore, the Group expects to settle the purchase consideration and direct costs using some of the funds raised from the net proceeds from the placing of the Company's new shares of approximately HK\$92,800,000 and net proceeds from issue of convertible bonds by the Company of approximately HK\$98,700,000 and the remaining portion of the consideration will be funded by a mortgage loan, the details of which are set out in the Company's circular dated 5 January 2018, which have not been reflected here for the purpose of the Unaudited Pro Forma Financial Information. The shareholders' meeting held on 26 January 2018 has considered and approved the abovementioned placing of new shares and issue of convertible bonds, and the directors expect the Company will receive the proceeds before the end of February 2018.
- (3) For the purpose of the unaudited pro forma adjustments in this Unaudited Pro Forma Financial Information, the exchange rate of US\$1 to HK\$7.8 has been applied.
- (4) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2017.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group as set out in this appendix and prepared for the sole purpose of inclusion in this circular.



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Asia Energy Logistics Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asia Energy Logistics Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Company as at 30 June 2017, and related notes as set out in Section A of Appendix II of the circular dated 23 February 2018 (the "Circular") issued by the Company in connection with the major acquisition of two vessels (the "Vessels") (the "Acquisition"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are set out in Section A of Appendix II to the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Acquisition on the Group's financial position as at 30 June 2017 as if the Acquisition had taken place at 30 June 2017. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Company's interim report for the six months ended 30 June 2017, on which no audit or review report has been issued.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 30 June 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the

directors of the Company in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

23 February 2018

The following is the full text of the valuation certificate received from Galbraith's Ltd, an independent valuer, in connection with its opinion on the fair market value of Vessel A as at 11 January 2018 prepared for the purpose of incorporation in this circular. Galbraith's Ltd is one of the oldest ship brokers in the world, a member of The Baltic Exchange and the founding members of the London Ship Valuation Panel. Galbraith's Ltd is a leading ship valuer acting on behalf of banks, insurance companies, solicitors and P&I clubs. As confirmed by Galbraith's Ltd, Mr. Neil Rokison, a sale and purchase director, has over 30 years of experience in shipbroking specialising in the dry bulk market and the Handysize sector.

Asia Energy Logistics Group Limited
Room 2404, 24th Fl, Wing On Centre
111 Connaught Road Central
Hong Kong

Dear Sirs,

RE: M.V. "CLIPPER SELO" (MARSHALL ISLANDS FLAG)

We refer to your request for an opinion as to the market value of the above named vessel. Brief details we understand are as follows:

Type	Handysize Bulk Carrier
Built	2011 Jiangmen Nanyang Ship Eng. Co. Ltd.
Classed	LR
Deadweight/Draft	Abt 32,389 dwt on 10.15M
Holds/Hatches	5 Holds/5 Hatches
Gear	Cranes 4x30.5t
Cargo Capacity	Abt 1,535,390 cbft
Machinery	MAN B&W 6S42MC 8,810 bhp

We are of the considered opinion that the world — wide market value of this vessel, as at 11 January 2018 on the basis of a sale for prompt charterfree delivery for cash on normal commercial terms, as between willing Sellers and willing Buyers is approximately:

US\$10,250,000

(Say United States Dollars Ten Million Two Hundred and Fifty Thousand only)

In reaching this opinion we have followed our normal practice of comparing the recent prices achieved in the market for similar tonnage, and taking into consideration various factors including age, size, quality of shipyard and market sentiment.

We have not made a physical inspection of the vessel, nor have we examined the vessel's Classification Records, but we have assumed for the purpose of this valuation that the vessel is in sound seagoing condition, class maintained, undamaged, fully equipped and freely transferable. We do not make any warranties or guarantees to the condition of the vessel.

The valuation is given in good faith, but neither the company nor its directors shall in any circumstances whatsoever be held responsible for any errors or omission herein or otherwise.

The valuation relates solely to our opinion as to the market value on the date specified and no assurance can be given that such a figure will be sustained or can be realised in an actual transaction. It must also be noted that prices of vessels can fluctuate quickly due to unforeseen economic circumstances outside our control.

The above circumstances should be considered by anyone contemplating entering a transaction.

This valuation has been provided solely and exclusively for the use of the person to whom it is addressed and no responsibility can be accepted to any other person. Further, it is only provided for the specific purpose for which it was commissioned.

This valuation is not to be published in any form without the prior written consent of Galbraith's Limited. Furthermore this valuation is not to be used without the prior consent of Galbraith's Limited in any public offering in respect of shares or bonds etc., and we reserve the right to withhold such consent. We consent that Asia Energy Logistics Group Limited may attach this certificate to their announcement to The Stock Exchange of Hong Kong Limited and circular for the purchase of this Vessel.

The particulars of the vessel are from the current Register Books and such other information as we have been able to obtain from available and relevant works of reference in our possession, but we can accept no responsibility for their accuracy.

We believe this opinion to be reasonably accurate, but we wish to emphasise that the figure which we have reached is only a statement of opinion and should not be taken as a representation of fact. Any interested party should satisfy themselves by inspection of the vessel, or otherwise, as to the correctness of the statements set out herein.

Yours faithfully,
for **Galbraith's Ltd**
N. Rokison

The following is the full text of the valuation certificate received from Galbraith's Ltd, an independent valuer, in connection with its opinion on the fair market value of Vessel B as at 11 January 2018 prepared for the purpose of incorporation in this circular. Galbraith's Ltd is one of the oldest ship brokers in the world, a member of The Baltic Exchange and the founding members of the London Ship Valuation Panel. Galbraith's Ltd is a leading ship valuer acting on behalf of banks, insurance companies, solicitors and P&I clubs. As confirmed by Galbraith's Ltd, Mr. Neil Rokison, a sale and purchase director, has over 30 years of experience in shipbroking specialising in the dry bulk market and the Handysize sector.

Asia Energy Logistics Group Limited
Room 2404, 24th Fl, Wing On Centre
111 Connaught Road Central
Hong Kong

Dear Sirs,

RE: M.V. "CLIPPER PANORAMA" (MARSHALL ISLANDS FLAG)

We refer to your request for an opinion as to the market value of the above named vessel. Brief details we understand are as follows:

Type	Handysize Bulk Carrier
Built	2011 Jiangmen Nanyang Ship Eng. Co. Ltd.
Classed	LR
Deadweight/Draft	Abt 32,353 dwt on 10.15M
Holds/Hatches	5 Holds/5 Hatches
Gear	Cranes 4x30.5t
Cargo Capacity	Abt 1,535,365.2 cbft
Machinery	MAN B&W 6S42MC 8,810 bhp

We are of the considered opinion that the world — wide market value of this vessel, as at 11 January 2018 on the basis of a sale for prompt charterfree delivery for cash on normal commercial terms, as between willing Sellers and willing Buyers is approximately:

US\$10,250,000

(Say United States Dollars Ten Million Two Hundred and Fifty Thousand only)

In reaching this opinion we have followed our normal practice of comparing the recent prices achieved in the market for similar tonnage, and taking into consideration various factors including age, size, quality of shipyard and market sentiment.

We have not made a physical inspection of the vessel, nor have we examined the vessel's Classification Records, but we have assumed for the purpose of this valuation that the vessel is in sound seagoing condition, class maintained, undamaged, fully equipped and freely transferable. We do not make any warranties or guarantees to the condition of the vessel.

The valuation is given in good faith, but neither the company nor its directors shall in any circumstances whatsoever be held responsible for any errors or omission herein or otherwise.

The valuation relates solely to our opinion as to the market value on the date specified and no assurance can be given that such a figure will be sustained or can be realised in an actual transaction. It must also be noted that prices of vessels can fluctuate quickly due to unforeseen economic circumstances outside our control.

The above circumstances should be considered by anyone contemplating entering a transaction.

This valuation has been provided solely and exclusively for the use of the person to whom it is addressed and no responsibility can be accepted to any other person. Further, it is only provided for the specific purpose for which it was commissioned.

This valuation is not to be published in any form without the prior written consent of Galbraith's Limited. Furthermore this valuation is not to be used without the prior consent of Galbraith's Limited in any public offering in respect of shares or bonds etc., and we reserve the right to withhold such consent. We consent that Asia Energy Logistics Group Limited may attach this certificate to their announcement to The Stock Exchange of Hong Kong Limited and circular for the purchase of this vessel.

The particulars of the vessel are from the current Register Books and such other information as we have been able to obtain from available and relevant works of reference in our possession, but we can accept no responsibility for their accuracy.

We believe this opinion to be reasonably accurate, but we wish to emphasise that the figure which we have reached is only a statement of opinion and should not be taken as a representation of fact. Any interested party should satisfy themselves by inspection of the vessel, or otherwise, as to the correctness of the statements set out herein.

Yours faithfully,
for **Galbraith's Ltd**
N. Rokison

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interest of Directors of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Long Position in the Shares and underlying Shares

Name of Director	Capacity	Number of Shares held	Number of underlying Shares held under equity derivatives (Note 1)	Total	Approximate percentage of Shareholding (Note 2)
Mr. Liang Jun	Beneficial Owner	200,000	5,000,000	5,200,000	0.33%
Mr. Yu Baodong	Beneficial Owner	—	5,000,000	5,000,000	0.32%

Notes:

- (1) These are share options granted by the Company to the Directors under the share option scheme adopted by the shareholders of the Company on 20 August 2008 and refreshed on 3 June 2010. Such share options can be exercised by the Directors at various intervals during the period from 21 April 2011 to 20 April 2021 at an exercise price of HK\$1.680 per Share.
- (2) The approximate percentage of shareholding was calculated based on the number of shares in issue of 1,556,515,189 Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Interest of Substantial Shareholders of the Company

As at the Latest Practicable Date, so far as it was known to the Directors, the following person(s), other than a director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long Position in the Shares and underlying Shares

Name of Shareholder	Nature of interest/ capacity	Number of Shares (long position)	Approximate percentage of Shareholding (Note 4)
Mr. Wong Kin Ting ("Mr. Wong")	Interest of controlled corporations	455,297,032 (Note 1)	29.25%
Mr. Zhu Gongshan ("Mr. Zhu")	Beneficiary of a discretionary trust & interest of controlled corporations	213,745,000 (Note 2)	13.73%
Credit Suisse Trust Limited ("CST")	Trustee	200,000,000 (Note 3)	12.85%

Notes:

- (1) According to the individual substantial shareholder notice filed by Mr. Wong, Mr. Wong was deemed to be interested in 455,297,032 Shares through his interests in the following corporations which are 100% owned by him:
- (i) 29,500,000 Shares held by Delight Assets Management Limited; and
 - (ii) 425,797,032 Shares held by King Castle Enterprises Limited.

- (2) According to the individual substantial shareholder notice filed by Mr. Zhu, Mr. Zhu was deemed to be interested in 213,745,000 Shares that comprised:
 - (i) 200,000,000 Shares indirectly held by Asia Pacific Energy Fund, a trust fund to which Mr. Zhu is both a founder and a beneficiary, details of which are described in Note 3 below; and
 - (ii) 13,745,000 Shares directly held by Profit Act Limited, which is indirectly controlled by Mr. Zhu.
- (3) According to the corporate substantial shareholder notice filed by CST on 1 November 2013, CST was deemed to be interested in 200,000,000 Shares in its capacity as the trustee of these Shares. These 200,000,000 Shares were beneficially owned by Fast Sky Holdings Limited which in turn is 100% directly controlled by Golden Concord Group Limited (“Golden Concord”). Golden Concord is 100% controlled by Asia Pacific Energy Holdings Limited which in turn is 100% controlled by Asia Pacific Energy Fund Limited (“APEFL”). APEFL is 50% controlled by Serangoon Limited and 50% controlled by Seletar Limited and both Serangoon Limited and Seletar Limited are 100% controlled by CST. Out of these 200,000,000 Shares, 100,000,000 Shares are consideration Shares which may be issued (in whole or in part as appropriate) to Golden Concord or its nominee pursuant to an agreement dated 18 December 2009 (as amended by supplemental agreements on 24 December 2009 and 28 April 2010, respectively) in relation to the acquisition of the entire equity interests in Ocean Jade Investments Limited (collectively, the “Agreements”). Details of the Agreements are set out in the Company’s circular dated 30 April 2010, whereby it was disclosed that the allotment and issue of these 100,000,000 Shares is subject to the achievement of the profit guarantee as contained in the Agreements.
- (4) The approximate percentage of shareholding was calculated based on the number of shares in issue of 1,556,515,189 Shares as at the Latest Practicable Date.

Interests in Contract or Arrangement

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group as a whole.

Interests in Assets

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Service Contracts

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

Interests in other Competing Business

As at the Latest Practicable Date, Mr. Chan Chi Yuen (“Mr. Chan”) is an executive director of Noble Century Investment Holdings Limited (stock code: 2322), a company listed on the Main Board of the Stock Exchange, which has a subsidiary engaging in the vessel chartering business and therefore, Mr. Chan is considered to have interests in the businesses which compete or may compete with the businesses of the Group and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Given that Mr. Chan is an independent non-executive Director and does not participate in the daily operation of the Group, the Directors believe that any significant competition caused to the business of the Group would be unlikely. Mr. Chan has confirmed he is fully aware of, and has been discharging, his fiduciary duty to the Company to avoid conflict of interest. In situations where any conflict of interests arises, Mr. Chan will refrain from taking part in the decision making process and from voting on the relevant board resolution at the board meeting. Moreover, Mr. Chan has no interest in any shares of the Company and Noble Century Investment Holdings Limited.

Save as disclosed above, each Director has confirmed that so far as he is aware, he and his associates do not have any interests in a business which competes or likely to compete with the Group.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

4. EXPERTS AND CONSENTS

The qualification of the expert who has given opinions and advice in this circular is as follows:

Name	Qualification
BDO Limited	Certified Public Accountants
Galbraith’s Ltd	Professional valuer

As at the Latest Practicable Date, each of BDO Limited and Galbraith’s Ltd had no shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group and had no direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up.

Each of BDO Limited and Galbraith's Ltd has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which they respectively appear.

5. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the Latest Practicable Date and are or may be material:

- (i) The second supplemental agreement dated 1 March 2016 to the subscription agreement entered into between, among others, the Company and Advance Opportunities Fund as a subscriber for the amendment of terms and conditions of the subscription agreement;
- (ii) A placing agreement dated 8 February 2017 entered into between the Company and Eternal Pearl Securities Limited in respect of placing, on a best effort, a total of 4,000,000,000 shares at the price of HK\$0.1 per share;
- (iii) The memorandum of agreement dated 8 February 2017 entered into between an indirect wholly-owned subsidiary of the Company and the vendor in respect of the acquisition of a heavy lift vessel at a consideration of US\$103.3 million;
- (iv) A side letter dated 31 March 2017 entered into between the Company and Eternal Pearl Securities Limited to extend the placing period and the long stop date of the placing of 4,000,000,000 new shares at the price of HK\$0.1 per share;
- (v) A deed of termination dated 26 May 2017 entered into between the Company and Eternal Pearl Securities Limited for the termination of the placing of 4,000,000,000 new shares at the price of HK\$0.1 per share;
- (vi) A placing agreement dated 30 November 2017 entered into between the Company and Taiping Securities (HK) Co., Limited in respect of the placing, on a best effort basis, of a maximum of 923,361,034 new shares of the Company at the price of HK\$0.1083 per share;
- (vii) A subscription agreement dated 30 November 2017 entered into between the Company and GIC Investment Limited in respect of the subscription of convertible bonds issued by the Company in an aggregate principal amount of HK\$100,000,000 at an initial conversion price of HK\$0.1701 per conversion share (subject to adjustments); and
- (viii) The MOAs.

6. GENERAL

- (a) The secretary of the Company is Ms. Wong Man Kei, Maggie. She is also the authorized representative of the Company.
- (b) The registered office of the Company is situated at Room 2404, 24/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (c) The share registrar of the Company is Tricor Secretaries Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English texts of this circular shall prevail over the Chinese texts.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at Room 2404, 24/F., Wing On Centre, 111 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the Acquisition General Meeting:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for each of the two years ended 31 December 2015 and 2016 respectively;
- (c) the interim report of the Company for the six months ended 30 June 2017;
- (d) the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (e) the letter from BDO Limited in respect of the unaudited pro forma financial information of the Group;
- (f) the valuation certificates prepared by the Independent Valuer in relation to the Vessels, the text of which is set out in Appendix III to this circular;
- (g) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (h) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix; and
- (i) this circular.

亞洲能源物流
ASIAENERGY
Logistics

ASIA ENERGY LOGISTICS GROUP LIMITED

亞洲能源物流集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 351)

NOTICE OF ACQUISITION GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting (the “**Acquisition General Meeting**”) of the abovementioned company (the “**Company**”) will be held at Holiday Inn Express Hong Kong Soho, 38/F., No. 83 Jervois Street, Sheung Wan, Hong Kong on Friday, 16 March 2018 at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. “THAT:

- (a) the memorandum of agreement (“**MOA 1**”, a copy of which has been produced to the Acquisition General Meeting marked “A” and signed by the chairman of the Acquisition General Meeting for the purpose of identification) dated 23 January 2018 and entered into between CFCL Handy Clip III LLC as seller and Laurel Gold Shipping Limited as buyer in relation to the sale and purchase of a Handysize bulk carrier vessel named M.V. “Clipper Selo” at a consideration of US\$10.3 million and the transactions contemplated thereunder be and are hereby approved; and
- (b) the directors (the “**Directors**”) of the Company be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with MOA 1 or any of the transactions contemplated thereunder and to make and approve such amendments to MOA 1 as the Directors may in their absolute discretion consider not material and necessary, appropriate, desirable or expedient in connection therewith.”

2. “THAT:

- (a) the memorandum of agreement (“**MOA 2**”, a copy of which has been produced to the Acquisition General Meeting marked “B” and signed by the chairman of the Acquisition General Meeting for the purpose of identification) dated 23 January 2018 and entered into between CFCL Handy Clip IV LLC as seller and Lotus

NOTICE OF ACQUISITION GENERAL MEETING

Gold Shipping Limited as buyer in relation to the sale and purchase of a Handysize bulk carrier vessel named M.V. “Clipper Panorama” at a consideration of US\$10.3 million and the transactions contemplated thereunder be and are hereby approved; and

- (b) the directors (the “**Directors**”) of the Company be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with MOA 2 or any of the transactions contemplated thereunder and to make and approve such amendments to MOA 2 as the Directors may in their absolute discretion consider not material and necessary, appropriate, desirable or expedient in connection therewith.”

By order of the board of directors of
Asia Energy Logistics Group Limited
Liang Jun
Executive Director

23 February 2018

Registered office:
Room 2404, 24/F
Wing On Centre
111 Connaught Road Central
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Acquisition General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares in the Company may appoint more than one proxy. A proxy need not be a member of the Company.
2. To be valid, the form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company’s share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Acquisition General Meeting or any adjournment thereof (as the case may be).
3. Where there are joint holders of any share in the Company, any one of such joint holders may vote at the Acquisition General Meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Acquisition General Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

NOTICE OF ACQUISITION GENERAL MEETING

4. The register of members of the Company will be closed from Tuesday, 13 March 2018 to Friday, 16 March 2018, both days inclusive, during which no transfer of shares will be registered. In order to be entitled to attend and vote at the Acquisition General Meeting, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company's share registrar at the address stated in note 2 above no later than 4:30 p.m. on Monday, 12 March 2018.

As at the date of this notice, the executive directors of the Company are Mr. Liang Jun, Mr. Fu Yongyuan and Mr. Lin Wenqing; the non-executive director of the Company is Mr. Yu Baodong (Chairman); and the independent non-executive directors of the Company are Mr. Chan Chi Yuen, Mr. Siu Miu Man and Mr. Wong Cheuk Bun.