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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)

**(I) ISSUE OF NEW SHARES AND CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;
(II) APPLICATION FOR WHITEWASH WAIVER AND
CONSENT FOR SPECIAL DEALS;
AND
(III) RESUMPTION OF TRADING**

THE SUBSCRIPTION

On 8 March 2020, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue (i) a total of 1,100,000,000 Subscription Shares at the Subscription Price of HK\$0.16 per Subscription Share; and (ii) the Convertible Bonds in the principal amount of HK\$48,000,000 which may be converted into 300,000,000 Conversion Shares at the initial Conversion Price of HK\$0.16 (subject to adjustments).

As at the date of this announcement, the Company had 495,975,244 Shares in issue. The Subscription Shares represent approximately 221.79% of the existing total number of Shares in issue and approximately 68.92% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares upon the Completion (assuming that there is no other change in the total number of Shares of the Company). The aggregate of the Subscription Shares and the Conversion Shares represent approximately 282.27% of the existing total number of Shares in issue, and approximately 73.84% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares and the Conversion Shares upon the Completion (assuming that there is no other change in the total number of Shares of the Company).

The Subscription Shares and the Conversion Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the General Meeting.

The Subscription Shares and the Conversion Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares then in issue.

The gross proceeds from the Subscription will be in aggregate HK\$224 million of which (i) HK\$176 million will be from the subscription of new Shares; and (ii) HK\$48 million will be from the subscription of Convertible Bonds. The net proceeds of the Subscription are estimated to be approximately HK\$222 million. The Company intends to apply the net proceeds to be raised from the Subscription of (i) approximately HK\$170 million for the repayment of the GIC CB, the 2018 CB and the 2019 CB with interests accrued up to the date of the Completion; (ii) approximately HK\$20 million for general working capital of the Group; and (iii) the remaining balance of approximately HK\$32 million for further acquisition of vessel and/or potential business development as the Company has been actively looking for other new business opportunities from time to time.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Whitewash Waiver

The Subscriber, Mr. Pang and parties acting in concert with any one of them do not own or have control or direction over and did not deal in any Shares and any other relevant securities (as defined under Note 4 to Rule 22 under Takeovers Code) of the Company in the six months prior to and as at the date of this announcement.

Immediately upon the Completion as well as assuming no conversion of the Convertible Bonds and there is no other change in the issued share capital of the Company, the Subscriber, Mr. Pang and parties acting in concert with any one of them will be interested in 1,100,000,000 Shares, representing approximately 221.79% of the existing total number of Shares in issue, and approximately 68.92% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares.

Immediately upon the Completion as well as assuming full conversion of the Convertible Bonds and there is no other change in the issued share capital of the Company, the Subscriber, Mr. Pang and parties acting in concert with any one of them will be interested in 1,400,000,000 Shares, representing approximately 282.27% of the existing total number of Shares in issue, and approximately 73.84% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares and the Conversion Shares.

Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it, unless, among others, the Whitewash Waiver is granted by the Executive. An application will be made by the Subscriber to the Executive for the Whitewash Waiver in respect of the allotment and issuance of the Subscription Shares.

The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval of at least 75% votes by the Independent Shareholders present and voting (either in person or by proxy) in respect of the Whitewash Waiver and more than 50% votes of the Independent Shareholders present and voting (either in person or by proxy) in respect of the Subscription at the General Meeting by way of poll. The Subscriber and parties acting in concert with it and any other Shareholders who are involved or interested in the Subscription Agreement and the transactions contemplated thereunder including but not limited to the Specific Mandate, the Whitewash Waiver and the Special Deals shall abstain from voting at the General Meeting in respect of the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals. The Subscription Agreement and the transactions contemplated thereunder will not proceed if the Whitewash Waiver is not granted by the Executive or the Subscription Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver are not approved by the Independent Shareholders at the General Meeting.

Special Deals

As at the date of this announcement, Mr. Zhu is interested in 22,749,000 Shares, representing approximately 4.59% of all the issued Shares. Mr. Zhu, a beneficiary of a trust which is also interested in 6,370,388,156 shares, representing approximately 32.11% of all the issued shares of GCL, a public company with limited liability 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. GIC is a bondholder of the GIC CB. GCL is not a Shareholder and does not hold any other relevant securities (as defined under Note 4 to Rule 22 under Takeovers Code) of the Company. GIC is a concert party of Mr. Zhu.

As at the date of this announcement, Mr. Yeung Yan Hau (“**Mr. Yeung**”), a bondholder of HK\$500,000 of the 2018 CB who is also interested in 200,000 Shares, representing approximately 0.04% of the total issued Shares.

As at the date of this announcement, Fu Lai Financial Group Limited (“**Fu Lai**”), a bondholder of HK\$500,000 of the 2019 CB who is also interested in 2,810,000 Shares, representing approximately 0.57% of the total issued Shares. In addition, as at the date of this announcement, Mr. Chan Ming Leung (“**Mr. Chan**”), a bondholder of HK\$1,500,000 of the 2019 CB who is also interested in 4,000,000 Shares, representing approximately 0.81% of the total issued Shares.

Furthermore, as at the date of this announcement, VC Holdings, a public company with limited liability incorporated in Hong Kong and whose shares are listed on the Stock Exchange (Stock Code: 821) is a Shareholder and is interested in 24,288,000 Shares, representing approximately 4.90% of the total issued Shares. VC Brokerage, a wholly-owned subsidiary of VC Holdings is one of the bondholder of HK\$10,000,000 of the 2019 CB.

As part of the net proceeds of the Subscription will be used for the repayment of the GIC CB, the 2018 CB and the 2019 CB, the proposed repayment to the aforesaid Shareholders who are also the bondholders constitutes special deals under Note 5 to Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Subscription and the Special Deals are fair and reasonable; and (iii) approval by the Independent Shareholders at the General Meeting, in which Mr. Zhu, Mr. Yeung, Fu Lai, Mr. Chan and VC Holdings and parties acting in concert with any one of them who are Shareholders will be required to abstain from voting on the relevant resolutions approving the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals. The Company will apply to the Executive for the consent to the Special Deals under Rule 25 of the Takeovers Code.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all the non-executive Directors and independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code will be formed to recommend the Independent Shareholders on the terms of the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals. None of the members of the Independent Board Committee will have any interest or involvement in the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals.

Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals. The Company will make another announcement upon the appointment of the Independent Financial Adviser.

GENERAL

The Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals will be subject to Independent Shareholders' approval. The General Meeting will be convened and held by the Company to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals.

A circular containing, among other things, (i) details of the Subscription, the Whitewash Waiver and the Special Deals; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in relation to the Subscription, the Whitewash Waiver and the Special Deals; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription, the Whitewash Waiver and the Special Deals; and (iv) a notice of the General Meeting, is expected to be despatched to the Shareholders on or before 17 April 2020.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9 a.m. on 9 March 2020 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9 a.m. on 30 March 2020.

Shareholders and potential investors of the Company should note that the Whitewash Waiver is a possibility only and may not be granted by the Executive.

The Completion is subject to the fulfilment of the conditions set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

INTRODUCTION

On 8 March 2020, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue (i) a total of 1,100,000,000 Subscription Shares at the Subscription Price of HK\$0.16 per Subscription Share; and (ii) the Convertible Bonds in the principal amount of HK\$48,000,000 which may be converted into 300,000,000 Conversion Shares at the initial Conversion Price of HK\$0.16 (subject to adjustments).

THE SUBSCRIPTION AGREEMENT

The principal terms and conditions of the Subscription Agreement are summarised as follows:

Date: 8 March 2020

Parties: (i) the Company, as issuer; and
(ii) Oriental Solar Group Limited, as Subscriber.

(each a “**Party**”, and collectively, the “**Parties**”)

As at the date of this announcement, the Subscriber and its ultimate beneficial owner are independent of, not connected with and not acting in concert with any of the Directors, the chief executives or the substantial Shareholders of the Company or its subsidiaries or any of their respective associates. The Subscriber, Mr. Pang and parties acting in concert with any one of them do not own or have control or direction over and did not deal in any Shares and any other relevant securities (as defined under Note 4 to Rule 22 under Takeovers Code) of the Company in the six months prior to and as at the date of this announcement.

The Subscription Shares and Conversion Shares

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue:

- (i) a total of 1,100,000,000 Subscription Shares at the Subscription Price of HK\$0.16 per Subscription Share; and
- (ii) the Convertible Bonds in the principal amount of HK\$48,000,000 which may be converted into 300,000,000 Conversion Shares at the initial Conversion Price of HK\$0.16 (subject to adjustments).

As at the date of this announcement, the Company had 495,975,244 Shares in issue. The Subscription Shares represent approximately 221.79% of the existing total number of Shares in issue and approximately 68.92% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares upon the Completion (assuming that there is no other change in the total number of Shares of the Company). The aggregate of the Subscription Shares and the Conversion Shares represent approximately 282.27% of the existing total number of Shares in issue, and approximately 73.84% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares and the Conversion Shares upon the Completion (assuming that there is no other change in the total number of Shares of the Company).

The Subscription Price and the Conversion Price

The Subscription Price and the Conversion Price, each being HK\$0.16, represent:

- (i) a discount of approximately 3.03% to the closing price of HK\$0.165 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.98% to the average closing price of HK\$0.172 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 21.95% to the average closing price of HK\$0.205 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately HK\$0.28 to the audited consolidated net liabilities per Share of approximately HK\$0.12 as at 31 December 2019, calculated based on the Group's audited consolidated net liabilities of HK\$60,966,000 as at 31 December 2019 and the 495,975,244 Shares in issue as at the date of this announcement; and

- (v) a cumulative theoretical dilution effect (the aggregation of placing of convertible bonds under specific mandate on 25 June 2019 and the Subscription) represented by a discount of approximately 4.55% of the cumulative theoretical diluted price of HK\$0.277 per Share to the benchmarked price of HK\$0.29 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price of HK\$0.285 per Share on 25 June 2019 and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days of HK\$0.29 per Share before 25 June 2019).

The net price per Subscription Share or Conversion Share is estimated to be approximately HK\$0.159.

The Subscription Price and the Conversion Price were determined after arm's length negotiations between the Company and the Subscriber, and with reference to the prevailing market price of the Shares.

Conditions precedent

The Completion is conditional upon the following conditions precedent:

- (i) the Company having obtained all necessary approvals by the Independent Shareholders to approve the Subscription, the Specific Mandate and the Whitewash Waiver;
- (ii) the Company having obtained all necessary consents and approvals in respect of the Subscription as required by the Companies Ordinance, Listing Rules, Takeovers Code and others relevant laws;
- (iii) all necessary consents or waivers which may be required for the Subscription and/or issuance of the Convertible Bonds, the Conversion Shares and/or the Subscription Shares under any existing contractual obligations of the Group having been obtained or waived by relevant third party(ies);
- (iv) the approval for the listing of, and permission to deal in, the Conversion Shares and the Subscription Shares having been granted by the Stock Exchange to the Company;
- (v) the Whitewash Waiver having been granted by the Executive and all conditions (if any) attached to the Whitewash Waiver having been satisfied;
- (vi) from the date of the Subscription Agreement and until the Completion Date, the trading of the Shares on the Stock Exchange has not been suspended for more than twenty consecutive days, except for any suspension for the purpose of clearing any announcement and circular and/or relevant matters regarding the Subscription and/or relevant matters requested by the Stock Exchange, the Executive and/or relevant regulatory authority;

- (vii) the listing status of the Shares on the Stock Exchange not having been revoked, withdrawn, investigated by the Stock Exchange and/or SFC, or cancelled;
- (viii) the Company having cancelled and revoked all unexercised share options of the Company under the 2008 Share Option Scheme and 2018 Share Option Scheme;
- (ix) the Subscriber being satisfied with the due diligence result of the Group (at the sole discretion of the Subscriber) in relation to the business, financial, compliance, management and other aspects conducted by the Subscriber;
- (x) the representations and warranties by the Company having remained true, accurate and not misleading in all material respects; and
- (xi) the representations and warranties by the Subscriber having remained true, accurate and not misleading in all material respects.

Conditions precedent (i) to (v) above cannot be waived by any Parties. Conditions precedent (vi) to (x) above can be waived unilaterally by the Subscriber (but not the Company). Condition precedent (xi) above can be waived unilaterally by the Company (but not the Subscriber). The Parties shall use their best endeavours to procure the fulfilment or satisfaction of the abovementioned conditions precedent (except such conditions precedent having been waived) on or before 31 July 2020 (or such later date as may be agreed between the Parties in writing) (the “**Long Stop Date**”). In the event that any condition precedent mentioned above (except such conditions precedent having been waived) cannot be fulfilled or satisfied by the Long Stop Date, the Subscriber may immediately terminate the Subscription Agreement and cancel the Subscription.

Completion

Subject to the fulfilment of the conditions precedent (except such conditions precedent having been waived), Completion shall take place on the Completion Date.

Proposed Change to the Board Composition

Upon Completion, the Board shall approve and appoint (i) not less than three persons to be the directors of the Company and its subsidiaries; and (ii) a person to be the company secretary of the Company. All of them shall be persons nominated by the Subscriber. The Subscriber may further review the composition of the Board and senior management.

Ranking of the Subscription Shares and the Conversion Shares

The Subscription Shares and the Conversion Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares then in issue.

Mandate to issue the Subscription Shares and the Conversion Shares

The Subscription Shares and the Conversion Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the General Meeting.

Application for listing

An application will be made by the Company to the listing committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares and the Conversion Shares.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are (i) 21,374,054 outstanding share options granted by the Company on 21 April 2011 and 16 April 2018 respectively under the 2008 Share Option Scheme; (ii) 97,325,048 outstanding share options granted by the Company on 29 August 2018 and 4 July 2019 respectively under the 2018 Share Option Scheme; (iii) HK\$100,000,000 in outstanding principal amount of the GIC CB which may be converted into 266,666,666 new Shares at the conversion price of HK\$0.375 per Share; (iv) HK\$18,000,000 in outstanding principal amount of the 2018 CB which may be converted into 38,626,609 new Shares at the conversion price of HK\$0.466 per Share; (v) HK\$42,500,000 in outstanding principal amount of the 2019 CB which may be converted into 141,666,666 new Shares at the conversion price of HK\$0.30 per Share; and (vi) 20,000,000 ordinary shares in the share capital of the Company to be issued (subject to adjustment) as consideration pursuant to the sale and purchase agreement dated 18 December 2009 (as amended by the first supplemental agreement dated 24 December 2009 and the second supplemental agreement dated 28 April 2010) involving the acquisition of the entire equity interests in Ocean Jade Investments Limited as disclosed in the Company's circular dated 30 April 2010.

The allotment and issue of Subscription Shares and Conversion Shares may lead to adjustment to the exercise price of the convertible bonds as set out above (iii) to (v). The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into any existing Shares, as the case may be.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Set out below is a summary of the principal terms of the Convertible Bonds:

Issuer:	The Company
Principal amount:	HK\$48,000,000
Maturity date:	The third anniversary of the date immediately after the initial issue date of the Convertible Bonds (the “ Maturity Date ”)
Interest:	The Convertible Bonds bear no interest.
Conversion Price:	The initial Conversion Price shall be HK\$0.16 per Conversion Share, subject to adjustment provisions as summarised below.
Adjustments of Conversion Price:	<p>The initial Conversion Price shall be adjusted from time to time according to the relevant conditions below.</p> <ul style="list-style-type: none">(i) If there is an alteration to the par value of the Shares at any time as a result of any consolidation or subdivision.(ii) If the Company at any time issues (other than replacing cash dividend) any Shares by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund).(iii) If the Company at any time make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries.(iv) If the Company at any time offer to Shareholders new Shares for subscription by way of rights, or grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant.

- (v) (a) If the Company at any time issue securities wholly for cash, and such securities are convertible into or exchangeable for or carry rights of subscription for new Shares according to its terms and conditions, and the total Effective Consideration per Share (as defined below) initially receivable for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities.
- (b) If at any time the rights of conversion or exchange or subscription attached to any such securities as mentioned in section (v) (a) above are modified so that the total Effective Consideration per Share (as defined below) receivable for such securities shall be less than 90% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription.

For the purposes of this sub-paragraph (v), the “total Effective Consideration” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, the number of Shares shall be calculated without any deduction for any commissions, discounts or expenses paid.

- (vi) If the Company at any time issue Shares for cash or assets at a price per Share which is less than 90% of the market price on the date of the announcement of the terms of such issue.

Conversion Shares:

Assuming the Conversion Rights (as defined below) are exercised in full at the initial Conversion Price, a total of 300,000,000 Conversion Shares will be allotted and issued.

Conversion period:	The period commencing on the initial issue date of the Convertible Bonds and ending on the Maturity Date (both days inclusive) (the “ Conversion Period ”).
Conversion rights:	The Bondholder shall have the right (the “ Conversion Right ”) to convert the whole or part (must be in multiple of HK\$1,000,000) of the principal amount of the Convertible Bonds into Conversion Shares during the Conversion Period.
Conversion restrictions:	The Bondholder shall not exercise any Conversion Right and the Company shall not issue any Conversion Share in the event that the exercise of the Conversion Right by the Bondholder will cause: (1) the public float of the Company being less than 25% of its issued share capital; and/or (2) the Bondholder and/or parties acting in concert with it being required by regulatory authority to make a mandatory general offer to other Shareholders in accordance with Rule 26 of the Takeovers Code (except the Bondholder already acquired the whitewash waiver or undertakes to the Company to fully comply with all applicable requirements under the Takeovers Code to make a general offer) (the “ Conversion Restrictions ”).
Redemption on maturity or early redemption:	<p>All Convertible Bonds being not redeemed or converted by the Maturity Date according to the terms in the CB Instrument shall redeem by the Company with same amount of cash as the remaining principal amount of the Convertible Bonds on the Maturity Date. The Company can at any time redeem all or part of the principal amount of the Convertible Bonds which the Conversion Right is not yet exercised ^(Note) by issuing a notice with not less than 2 Business Days before the Maturity Date. For any avoidance of doubt, under the situation without any events of default specified in the CB Instrument (the “Events of Default”) occurs, the Bondholder shall not require the Company to redeem the whole or remaining amount or any part of the principal amount of the Convertible Bonds before the Maturity Date.</p> <p><i>Note:</i> The Bondholder can choose to convert upon receipt of the redemption notice from the Company.</p>

Redemption on default:	If any of the Events of Default occurs, the Company shall forthwith give notice to the Bondholder and each Bondholder may (without prejudice to any other rights and remedies available to the Bondholder), opt to issue a notice of redemption to the Company in respect of all or part of the principal amount of the Convertible Bonds held by it, whereupon the Convertible Bonds shall become immediately due and payable at a redemption amount equal to 100% of the principal amount of the Convertible Bonds.
Status:	The Convertible Bonds constitute general, unsecured and unsubordinated obligations of the Company and shall rank <i>pari passu</i> among themselves.
Transferability:	<p>The Convertible Bonds (in whole or part) can be transferred to any person after the initial issue date of the Convertible Bonds upon consent of the Company (such consent shall not be unreasonably withheld or delayed).</p> <p>Any transfer of the Convertible Bonds shall be in whole (i.e. HK\$48,000,000) or in part (must be in multiple of HK\$1,000,000) of the outstanding principal amount of the Convertible Bonds.</p>

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement(s)	Event	Net proceeds	Intended use of proceeds	Utilisation of proceeds as at the date of this announcement
25 June 2019, 13 September 2019, 4 October 2019 and 14 November 2019	Placing of convertible bonds under specific mandate	HK\$40,725,000	For loan repayments as to approximately HK\$11,000,000; the daily operations and logistics business development as to approximately HK\$22,225,000; and legal and professional fee as to approximately HK\$7,500,000.	the net proceeds has been fully utilised in accordance with the intended use of proceeds as disclosed

Save for disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon issuance of the Subscription Shares; and (iii) immediately upon issuance of the Subscription Shares and all Convertible Bonds has been converted, and for (i) to (iii) assuming that there is no outstanding share options and outstanding convertible bonds has been exercised and converted from the date of this announcement:

	As at the date of this announcement		Immediately upon issuance of the Subscription Shares		Immediately upon issuance of the Subscription Shares and all Convertible Bonds have been converted (for illustrative purposes only and subject to the Conversion Restrictions)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Wong Kin Ting (<i>Note</i>)	91,059,406	18.36%	91,059,406	5.71%	91,059,406	4.80%
The Subscriber, Mr. Pang and parties acting in concert with any one of them	—	—	1,100,000,000	68.92%	1,400,000,000	73.84%
Other public Shareholders	404,915,838	81.64%	404,915,838	25.37%	404,915,838	21.36%
	<u>495,975,244</u>	<u>100.00%</u>	<u>1,595,975,244</u>	<u>100.00%</u>	<u>1,895,975,244</u>	<u>100.00%</u>

Note:

As at the date of this announcement, Mr. Wong Kin Ting (“**Mr. Wong**”) is deemed to be interested in 91,059,406 Shares through his interests in the following corporations which are 100% owned by him: (i) 5,900,000 Shares held by Delight Assets Management Limited; and (ii) 85,159,406 Shares held by King Castle Enterprises Limited. Mr. Wong is a Substantial Shareholder of the Company. In addition, Mr. Wong is interested in 100% shareholding of Grade Rich Investments Limited which holds 79,000,000 shares of VC Holdings, representing approximately 6.42% of the total issued share capital of VC Holdings as at the date of this announcement. VC Brokerage, a wholly-owned subsidiary of VC Holdings, is a bondholder of HK\$10,000,000 of the 2019 CB and part of the net proceeds from the Subscription will be used to repay the 2019 CB. It constituted the Special Deals. Despite the interest of Mr. Wong in the Company and VC Holdings, he has no material interest in the Subscription, the Whitewash Waiver and the Special Deals, Mr. Wong is regarded as the Independent Shareholder.

SHAREHOLDINGS INTERESTS IN THE COMPANY

As at the date of this announcement, the table below sets out the outstanding share options granted to the Directors by the Company under the 2008 Share Option Scheme and the 2018 Share Option Scheme respectively:

Name of Director	Number of outstanding share options
Mr. Fu Yongyuan	28,502,014
Mr. Wu Jian (<i>Note</i>)	19,000,000
Mr. Yu Baodong	15,102,010
Mr. Chan Chi Yuen	1,360,000
Mr. Wong Cheuk Bun	1,360,000

Note:

4,800,000 share options were granted by the Company to Chatwin Capital Services Limited, 51% of which is beneficially owned by Mr. Wu Jian, on 29 August 2018 under the 2018 Share Option Scheme. As such, Mr. Wu Jian is deemed to be interested in these 4,800,000 share options. 14,200,000 share options were granted to Mr. Wu Jian under the 2018 Share Option Scheme on 4 July 2019, which was duly approved by the Shareholders of the Company at its general meeting held on 15 August 2019.

Save as disclosed above, none of the Directors hold any Shares and any other relevant securities (as defined under Note 4 to Rule 22 under Takeovers Code) of the Company.

VC Capital Limited (“**VC Capital**”), the financial adviser to the Company. VC Capital is a wholly-owned subsidiary of VC Holdings and a fellow subsidiary of VC Brokerage. Referring to Note 1 to Rule 3.5 of the Takeovers Code, as at the date of this announcement, VC Holdings is interested in 24,288,000 Shares, representing approximately 4.90% of the issued Shares and VC Brokerage is one of the bondholders of HK\$10,000,000 of the 2019 CB. Save as disclosed above, VC Capital does not hold any Shares and any convertible securities, warrants, options or derivatives of the Company as at the date of this announcement.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and it is principally engaged in the business of investment holding.

Mr. Pang is the ultimate beneficial owner of the Subscriber. He is currently a director of Boxin Financial Investment Holdings Limited and Boxin Asset Management Co., Ltd. He graduated from People’s Public Security University of China with a Bachelor Degree and Cheung Kong Graduate School of Business with a MBA degree. Mr. Pang has nearly 20 years of experience in the field of financial investment. Mr. Pang served as the board chairman of Yinhua Fund Management Company Limited from 2000 to 2011. From 2012

to 2015, he served as a partner of Boxin (Tianjin) Equity Investment Management Partnership (Limited Partnership). From 2015 to 2019, he served as board chairman of Boxin Fund Management Co., Ltd (formerly known as Tianjin Boxin Xinyuan Asset Management Co., Ltd.). Mr. Pang has sound experience and strong relationship in financial industry.

The beneficial owner of the Subscriber, Mr. Pang, has extensive experience in the fields of finance and asset management and profound investment history over the past twenty years. His investment has involved in many industries and the potential projects reviewed included the shipping and logistics business. Such investments have been substantially in form of equity holdings instead of direct participation in day to day management of the investee targets (“**Targets**”). In each investment, Mr. Pang and his team gained extensive knowledge to the Targets through comprehensive research to the Targets’ industry background, regular operation and performance review and frequent discussion with the management of the Targets. Mr. Pang has previous investing experience in the logistics business and has developed strong business relationship in different business sectors, including but not limited to the shipping and logistics business sectors in Mainland China and overseas which may contribute to the future business development of the Company.

It is the intention of the Subscriber that the Group will continue with its existing business and exploring other business opportunities. The Subscriber will be pleased to assist the Company to formulate business plans and strategies for the Group’s future business investment. As at the date of this announcement, no definitive proposals or agreements have been reached for any such possible future business investment.

Save as set out above, the Subscriber has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than in its ordinary course of business. In addition, the Subscriber may further review the composition of the Board and senior management.

Mr. Pang, being the ultimate beneficial owner of the Subscriber, will leverage on his strong experience and connection in the financial industry to assist the Company to improve its financial position, including but not limited to explore business opportunities to improve the income stream of the Group.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the shipping and logistics businesses. As disclosed in the annual report of the Company for the year ended 31 December 2019, the Directors have been in negotiation with investors for possible fund raising exercises and will continuously look for opportunities to expand its fleet size by acquiring vessels of similar or other carrying capacity and other suitable investments, which will bring in synergy with and positive contributions to the Group’s existing businesses.

The Company has been notified of the possible obligation to repay the GIC CB in the coming future, the Board considers that the Subscription represents a good opportunity to raise funds for repayment of its indebtedness. The Directors are of the view that the Subscription which combines issue of Subscription Shares and Convertible Bonds would have lower immediate dilution impact to the existing Shareholders instead of merely issue the Subscription Shares. In addition, the Convertible Bonds bear no interest. The funds raised from the Subscription mainly will be used for repayment of the GIC CB, 2018 CB and 2019 CB, it would substantially reduce the Group's financing costs after the repayment.

The Directors are also of the view that the Subscription provides a good opportunity for the Company to strengthen its capital base through fund raising activities and to enhance its financial position for the Company's future business development.

The Board (excluding the Independent Board Committee whose opinion will be set forth in the circular to be issued by the Company in relation to the Subscription, the Whitewash Waiver and the Special Deals) considers that the terms of the Subscription Agreement are on normal commercial terms and the Subscription is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription will be in aggregate HK\$224 million of which (i) HK\$176 million will be from the subscription of new Shares; and (ii) HK\$48 million will be from the subscription of Convertible Bonds. The net proceeds after deducting all relevant costs and expenses of the Subscription are estimated to be approximately HK\$222 million. Based on the net proceeds of approximately HK\$222 million and the total number of 1,100,000,000 Subscription Shares and 300,000,000 Conversion Shares, the net price per Subscription Share or Conversion Share is estimated to be approximately HK\$0.159.

The Company intends to apply the net proceeds to be raised from the Subscription of (i) approximately HK\$170 million for the repayment of the GIC CB, the 2018 CB and the 2019 CB with interests accrued up to the date of the Completion; (ii) approximately HK\$20 million for general working capital of the Group; and (iii) the remaining balance of approximately HK\$32 million for further acquisition of vessel and/or potential business development as the Company has been actively looking for other new business opportunities from time to time.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Whitewash Waiver

The Subscriber, Mr. Pang and parties acting in concert with any one of them do not own or have control or direction over and did not deal in any Shares and any other relevant securities (as defined under Note 4 to Rule 22 under Takeovers Code) of the Company in the six months prior to and as at the date of this announcement.

Immediately upon the Completion as well as assuming no conversion of the Convertible Bonds and there is no other change in the issued share capital of the Company, the Subscriber, Mr. Pang and parties acting in concert with any one of them will be interested in 1,100,000,000 Shares, representing approximately 221.79% of the existing total number of Shares in issue, and approximately 68.92% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares.

Immediately upon the Completion as well as assuming full conversion of the Convertible Bonds and there is no other change in the issued share capital of the Company, the Subscriber, Mr. Pang and parties acting in concert with any one of them will be interested in 1,400,000,000 Shares, representing approximately 282.27% of the existing total number of Shares in issue, and approximately 73.84% of the total number of Shares in issue as increased by the allotment and issue of the Subscription Shares and the Conversion Shares.

Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it, unless, among others, the Whitewash Waiver is granted by the Executive. An application will be made by the Subscriber to the Executive for the Whitewash Waiver in respect of the allotment and issuance of the Subscription Shares.

The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval of at least 75% votes by the Independent Shareholders present and voting (either in person or by proxy) in respect of the Whitewash Waiver and more than 50% votes of the Independent Shareholders present and voting (either in person or by proxy) in respect of the Subscription at the General Meeting by way of poll. The Subscriber and parties acting in concert with it and any other Shareholders who are involved or interested in the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals shall abstain from voting at the General Meeting in respect of the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder including but not limited to the Specific Mandate, the Whitewash Waiver and the Special Deals. The Subscription Agreement and the transactions contemplated thereunder will not proceed if the Whitewash Waiver is not granted by the Executive or the Subscription Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver are not approved by the Independent Shareholders at the General Meeting.

If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Subscription will not proceed.

As at the date of this announcement, the Company does not believe that the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals give rise to any concerns

in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals does not comply with other applicable rules and regulations.

Special Deals

As at the date of this announcement, Mr. Zhu is interested in 22,749,000 Shares, representing approximately 4.59% of all the issued Shares. Mr. Zhu, a beneficiary of a trust which is also interested in 6,370,388,156 shares, representing approximately 32.11% of all the issued shares of GCL, a public company with limited liability 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. GIC is a bondholder of the GIC CB. GCL is not a Shareholder and does not hold any other relevant securities (as defined under Note 4 to Rule 22 under Takeovers Code) of the Company. GIC is a concert party of Mr. Zhu.

As at the date of this announcement, Mr. Yeung Yan Hau (“**Mr. Yeung**”), a bondholder of HK\$500,000 of the 2018 CB who is also interested in 200,000 Shares, representing approximately 0.04% of the total issued Shares.

As at the date of this announcement, Fu Lai Financial Group Limited (“**Fu Lai**”), a bondholder of HK\$500,000 of the 2019 CB who is also interested in 2,810,000 Shares, representing approximately 0.57% of the total issued Shares. In addition, as at the date of this announcement, Mr. Chan Ming Leung (“**Mr. Chan**”), a bondholder of HK\$1,500,000 of the 2019 CB who is also interested in 4,000,000 Shares, representing approximately 0.81% of the total issued Shares.

Furthermore, as at the date of this announcement, VC Holdings, a public company with limited liability incorporated in Hong Kong and whose shares are listed on the Stock Exchange (Stock Code: 821) is a Shareholder and is interested in 24,288,000 Shares, representing approximately 4.90% of the total issued Shares. VC Brokerage, a wholly-owned subsidiary of VC Holdings is one of the bondholder of HK\$10,000,000 of the 2019 CB.

As part of the net proceeds of the Subscription will be used for the repayment of the GIC CB, the 2018 CB and the 2019 CB, the proposed repayment to the aforesaid Shareholders who are also the bondholders constitutes special deals under Note 5 to Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Subscription and the Special Deals are fair and reasonable; and (iii) approval by the Independent

Shareholders at the General Meeting, in which Mr. Zhu, Mr. Yeung, Fu Lai, Mr. Chan and VC Holdings and parties acting in concert with any one of them who are Shareholders will be required to abstain from voting on the relevant resolutions approving the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals. The Company will apply to the Executive for the consent to the Special Deals under Rule 25 of the Takeovers Code.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

Save for the abovementioned under section headed “Special Deals”, each of the Subscriber, its ultimate beneficial owner and/or the parties acting in concert with any one of them has confirmed that neither it nor any person acting in concert with it:

- (a) has acquired or disposed or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company within the six months prior to the date of this announcement;
- (b) will make any acquisitions or disposals of voting rights in the Company in the period between this announcement and the completion of the Subscription;
- (c) owns or has control or direction over any voting rights or rights over the Shares or any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;
- (d) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company and which might be material to the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate and/or the Whitewash Waiver and/or the Special Deals;
- (e) owns any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;
- (f) other than the consideration paid for the issuance of the Subscription Shares and the Convertible Bonds, has paid or will pay any other consideration, compensations or benefits in whatever form to the Company or any parties acting in concert with it in relation to the Subscription Shares;
- (g) has entered into any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Subscriber or parties acting in concert with it on one hand and (i) the Company and parties acting in concert with it; and/or (ii) the Shareholders, on the other hand;

- (h) has entered into any understanding, agreement, arrangement or special deal between the Company, its subsidiaries or associated companies on one hand and any Shareholders on the other hand;
- (i) has received any irrevocable commitment from any Independent Shareholders as to whether they will vote for or against the resolution approving the transactions contemplated under the Subscription Agreement and the transaction contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals at the General Meeting;
- (j) has any agreements or arrangements to which the Subscriber and/or its ultimate beneficial owner is a party which relate to the circumstances in which he may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Subscription Agreement or the Whitewash Waiver and/or the Special Deals (including any such agreements or arrangements that would result in any break fees being payable); and
- (k) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee

The Independent Board Committee, which comprises all the non-executive Directors and independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code will be formed to recommend the Independent Shareholders on the terms of the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals. None of the members of the Independent Board Committee will have any interest or involvement in the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals.

Appointment of the Independent Financial Adviser

Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals. The Company will make another announcement upon the appointment of the Independent Financial Adviser.

GENERAL

The Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals will be subject to Independent Shareholders' approval. The General Meeting will be convened and held by the Company to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals.

A circular containing, among other things, (i) details of the Subscription, the Whitewash Waiver and the Special Deals; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in relation to the Subscription, the Whitewash Waiver and the Special Deals; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription, the Whitewash Waiver and the Special Deals; and (iv) a notice of the General Meeting, is expected to be despatched to the Shareholders on or before 17 April 2020.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9 a.m. on 9 March 2020 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9 a.m. on 30 March 2020.

Shareholders and potential investors of the Company should note that the Whitewash Waiver is a possibility only and may not be granted by the Executive.

The Completion is subject to the fulfilment of the conditions set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used herein shall have the following meanings:

“2008 Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders on 20 August 2008, which was terminated by the Shareholders on 20 August 2018
“2018 CB”	the 3-year 2.5% per annum non-redeemable convertible bonds due 2021 in an aggregate principal amount of HK\$18,000,000 issued by the Company to 6 placees, who are independent third parties to the Company, on 8 November 2018

“2018 Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders on 20 August 2018
“2019 CB”	the 3-year 2.5% per annum non-redeemable convertible bonds due 2022 in an aggregate principal amount of HK\$42,500,000 issued by the Company to 6 placees, who are independent third parties to the Company, on 14 November 2019
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	any person who for the time being is the registered holder of the Convertible Bonds
“Business Day(s)”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“CB Instrument”	an instrument constituting the Convertible Bonds to be executed by the Company, as may be amended and/or supplemented from time to time, the format and contents of which to be agreed separately by the Parties to their reasonable satisfaction
“Companies Ordinance”	the Companies Ordinance (Chapter 622 the Laws of Hong Kong)
“Company”	Asia Energy Logistics Group Limited, a company incorporated in Hong Kong with limited liability whose issued shares are listed on the Stock Exchange
“Completion”	the completion of the Subscription
“Completion Date”	within fifth Business Days following the date on which the conditions precedent set out in the Subscription Agreement (except such conditions precedent having been waived) are fulfilled (or waived, if applicable)
“Conversion Price”	HK\$0.16 (subject to adjustments), at which the Bondholder can convert one (1) Conversion Share

“Conversion Share(s)”	the new Shares to be allotted and issued by the Company upon exercise of the conversion rights, the total number of which shall be 300,000,000 Shares, representing approximately 60.49% of the existing issued Shares and approximately 37.69% of the Shares as enlarged by the conversion shares (assuming there is no other new Shares issued by the Company)
“Convertible Bond(s)”	a non-interest bearing convertible bonds in the principal amount of HK\$48,000,000 to be issued by the Company subject to the provisions of the CB Instrument
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“GCL”	GCL-Poly Energy Holdings Limited, a public company with limited liability 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
“General Meeting”	the general meeting of the Company to be convened to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals
“GIC”	GIC Investment Limited, an indirect wholly-owned subsidiary of GCL, a bondholder of the GIC CB and a concert party of Mr. Zhu
“GIC CB”	the 5.5% per annum convertible bonds due 2021 in the principal amount of HK\$100,000,000 issued by the Company to GIC on 2 March 2018
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	an independent committee of the Board to be established which comprises all the non-executive Directors and independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code, who have no direct or indirect interest in the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver or the Special Deals
“Independent Financial Adviser”	an independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals
“Independent Shareholders”	Shareholder(s) other than: (i) the Subscriber, Mr. Pang and parties acting in concert with any one of them; (ii) those who are involved in or interested in the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals (including but not limited to Mr. Zhu, Mr. Yeung, Fu Lai, Mr. Chan and VC Holdings and parties acting in concert with any of them); and (iii) those who are required to abstain from voting in the General Meeting to consider and approve the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate, the Whitewash Waiver and the Special Deals under the Listing Rules and the Takeovers Code
“Last Trading Day”	6 March 2020, being the last full trading day of the Shares before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pang”	Mr. Pang Yuet, the ultimate beneficial owner of the Subscriber

“Mr. Zhu”	Mr. Zhu Gongshan, the chairman, an executive director and a substantial shareholder of GCL. An aggregate of 6,370,388,156 shares of GCL are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, an executive director of GCL and the son of Mr. Zhu Gongshan) as beneficiaries. GIC is a concert party of Mr. Zhu
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Shares(s)
“Special Deal(s)”	the repayment to the Shareholders who are the bondholders of the GIC CB, the 2018 CB and the 2019 CB constitutes the special deals under Note 5 to Rule 25 of the Takeovers Code
“Specific Mandate”	the specific mandate to be considered, approved and granted from the Independent Shareholders at the General Meeting to authorize the Board to allot and issue and/or deal in the Subscription Shares and the Conversion Shares
“Subscriber”	Oriental Solar Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Pang
“Subscription”	the subscription of the Subscription Shares and the Convertible Bonds by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 8 March 2020 entered into between the Company and the Subscriber in connection with the Subscription
“Subscription Price”	HK\$0.16 per Subscription Share
“Subscription Shares”	a total of 1,100,000,000 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement

“Substantial Shareholder”	has the meaning given to it in the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“VC Brokerage”	VC Brokerage Limited
“VC Holdings”	Value Convergence Holdings Limited
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Rule 26 of the Takeovers Code in respect of the obligation of the Subscriber to make a mandatory general offer for all the issued securities of the Company not already owned, controlled or agreed to be acquired by the Subscriber and parties acting in concert with it (if applicable) which may otherwise arise as a result of the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Asia Energy Logistics Group Limited
Fu Yongyuan
Executive Director

Hong Kong, 27 March 2020

As at the date of this announcement, the executive Directors are Mr. Fu Yongyuan and Mr. Wu Jian; the non-executive Director is Mr. Yu Baodong (Chairman); and the independent non-executive Directors are Mr. Chan Chi Yuen, Mr. Wong Cheuk Bun and Mr. Chan Sing Fai.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.