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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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**VC BROKERAGE LIMITED**

**滙盈證券有限公司**

**VC Brokerage Limited**

### **THE PLACING**

The Board is pleased to announce that on 31 August 2020 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to an aggregate of 99,000,000 new Shares to not less than six Placees at a price of HK\$0.25 per Placing Share during the Placing Period.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum of 99,000,000 Placing Shares under the Placing represents: (i) approximately 6.20% of the issued share capital of the Company of 1,595,975,244 Shares as at the date of this announcement; and (ii) approximately 5.84% of the issued share capital of 1,694,975,244 Shares as enlarged by the issue of all Placing Shares.

The Placing Price of HK\$0.25 per Placing Share represents: (i) a discount of approximately 7.41% to the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 9.09% to the average closing prices per Share of HK\$0.275 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming all the Placing Shares are successfully placed by the Placing Agreement, the aggregate gross proceeds from the Placing will be HK\$24,750,000. The net proceeds from the Placing (after deduction of placing commission and other costs and expenses) are estimated to be approximately HK\$23,951,000, representing a net issue price of approximately HK\$0.242 per Placing Share. The net proceeds from the Placing are intended to be used for further acquisition of vessel to enhance the Group's existing fleet size, by way of replacement of one of the Group's existing vessels or addition of new vessel.

The Placing is not subject to the approval of the Shareholders as the Placing Shares will be allotted and issued under the General Mandate.

**Shareholders and potential investors of the Company shall be aware that completion of the Placing is subject to the fulfilment or waiver of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.**

## THE PLACING AGREEMENT

### Date

31 August 2020 (after trading hours of the Stock Exchange)

### Issuer

The Company

### Placing Agent

VC Brokerage Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are independent of and not connected (as defined under the Listing Rules) with the Company and its connected person(s).

## **Placees**

The Placing Shares will be placed to not less than six Placees, who will be any individual, institutional or professional investor, who and whose ultimate beneficial owners are (i) independent of the Company (and the Group), its connected person(s) and their respective associate(s), and (ii) independent of and not concerted parties with any persons, other Placee(s) or Shareholders.

It is expected that none of the Placee(s) will become a substantial Shareholder of the Company immediately after completion of the Placing.

## **Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to place, on a best effort basis, to not less than six Placees to subscribe for a maximum number of 99,000,000 Placing Shares.

As at the date of this announcement, the Company has 1,595,975,244 Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum of 99,000,000 Placing Shares under the Placing represents (i) approximately 6.20% of the issued share capital of the Company of 1,595,975,244 Shares as at the date of this announcement; and (ii) approximately 5.84% of the issued share capital of 1,694,975,244 Shares as enlarged by the issue of all Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.25 per Placing Share represents:

- (i) a discount of approximately 7.41% to the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 9.09% to the average closing prices per Share of HK\$0.275 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined with reference to, amongst other things, the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and that the Placing is in the interests of the Company and its Shareholders as a whole.

## Conditions precedent to the Placing Agreement

Completion of the Placing Agreement is conditional upon, *inter alia*:

- (i) the Board having approved the Placing and the transactions contemplated under the Placing Agreement;
- (ii) the Listing Committee having granted or agreeing to grant approval for the listing of, and permission to deal in, the Placing Shares and such approval not having been revoked, suspended withdrawn or cancelled or threatened with any revocation, suspension, withdrawal or cancellation;
- (iii) if required, the Company having obtained all necessary consent, approval, authorisation, permission, or confirmation from any third party with whom the Company has entered into any agreement or arrangement;
- (iv) the Company having complied with, and procured for the compliance with, all Law as well as all conditions (if any) imposed by the Stock Exchange or by any other competent Authority for issuance and allotment of the Placing Shares as well as the listing of and permission to deal in the Placing Shares and ensure the continued compliance thereof (provided in each case that the Placee(s) complies with and satisfies all such conditions);
- (v) the Shares remaining listed on the Main Board of the Stock Exchange, and that the listing status of the Shares not being subject to or threatened with any revocation, suspension, withdrawal or cancellation; and
- (vi) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading up to the Completion Date.

None of the conditions above (save and except condition (vi) above) is waivable by the Company or the Placing Agent. If the conditions precedent to the Placing Agreement are not fulfilled or waived (as the case maybe) prior to 28 September 2020 (through the Company and the Placing Agent may agree in writing to have such date postponed to a subsequent Business Day) or any of the force majeure events set out in the paragraph headed “- Termination and force majeure” below shall have occurred, all obligations and responsibilities of the Placing Agent and of the Company under the Placing Agreement shall cease and determine forthwith and none of the parties to the Placing Agreement shall have any claim whatsoever against the other in relation to the Placing Agreement save for any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of the parties to the Placing Agreement.

## **Termination and force majeure**

The Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect if, at any time between the date of the Placing Agreement and at 5 p.m. on the Business Day immediately prior to the Completion Date, there occurs:

- (i) the introduction of any new Law or regulation or any change in existing Laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the success of the Placing (such success being the completion of the Placing of the Placing Shares to potential investor(s)); or
- (ii) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)); or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)); or
- (iv) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement and fails to rectify the same within a reasonable time upon the requests made the Placing Agent; or
- (vi) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

Upon termination of the Placing Agreement pursuant to any of the abovementioned events, all obligations of the Placing Agent shall cease and determine and the Company shall not be liable to pay any commission under the Placing Agreement and no party to the Placing Agreement shall have any claim against the other party for compensation, costs, damages or otherwise.

## **Completion**

Completion of the Placing will take place at 5 p.m. (Hong Kong time) on the Completion Date or such other date as the Company and the Placing Agent may mutually agree in writing.

## **Placing commission**

The Placing Agent will charge a placing commission equivalent to 2.5% of the aggregate amount equal to the Placing Price multiplied by the number of the Placing Shares placed during the Placing Period.

The Directors consider that placing commission is on normal commercial terms and is fair and reasonable after taking into account the size of the Placing and the time allowed for the Placing Agent to procure the prospective placing.

## **Ranking of Placing Shares**

The Placing Shares under the Placing, when issued and fully paid, will rank pari passu to the issued and existing Shares in all respects as at the Completion Date.

## **Application for listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **GENERAL MANDATE**

The Placing Shares will be allotted and issued under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was granted and the maximum number of the new Shares that could be allotted, issued and dealt with by the Directors under the General Mandate is 99,195,048 Shares. As the Placing Shares will be allotted and issued under the General Mandate, the Placing is not subject to the approval of the Shareholders.

## **REASONS FOR THE PLACING AND THE USE OF PROCEEDS**

The Group is principally engaged in shipping and logistics businesses. In view of the recent market conditions, the Directors consider that the Placing represents good opportunity for the Company to raise funding to support the Group's continuous development and business growth, which is in the interest of the Company and its Shareholders as a whole. Apart from further strengthening the capital base and financial position of the Company, the Placing will also broaden the Shareholder base of the Company and improve the liquidity of the Shares.

Assuming all the Placing Shares are successfully placed by the Placing Agreement, the aggregate gross proceeds from the Placing will be HK\$24,750,000. The net proceeds from the Placing (after deduction of placing commission and other costs and expenses) are estimated to be approximately HK\$23,951,000, representing a net issue price of approximately HK\$0.242 per Placing Share. The net proceeds from the Placing are intended to be used for further acquisition of vessel to enhance the Group's existing fleet size, by way of replacement of one of the Group's existing vessels or addition of new vessel.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Date of the initial announcement	Event	Net proceeds (approximately)	Intended use of proceed	Actual use of proceeds
27 March 2020	Subscription of 1,100,000,000 new Shares and convertible bonds in the principal amount of HK\$48,000,000 which may be converted into 300,000,000 conversion Shares at an initial conversion price	HK\$222 million	(i) approximately HK\$170 million for the repayment of the previously issued convertible bonds with interests; (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.	Approximately HK\$168,597,000 for the repayment of the previously issued convertible bonds
25 June 2019	Placing of convertible bonds in the principal amount of HK\$60,000,000 which may be converted into 1,000,000,000 conversion Shares at an initial conversion price	HK\$57,700,000	For the general working capital of the Group	HK\$57,700,000 for general working capital of the Group

Save as 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 OF THE PLACING ON SHAREHOLDING

Assuming all the Placing Shares are fully placed and there is no other change in the number of issued Shares from the date of this announcement up to completion of the Placing, the shareholding structure of the Company immediately prior to and following the Placing will be as follows:

Shareholders	Immediately prior to completion of the Placing		Immediately following completion of the Placing	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Oriental Solar Group Limited, Mr. Pang Yuet and parties acting in concert with any one of them	1,100,000,000	68.92	1,100,000,000	64.90
Mr. Wong Kin Ting	91,059,406	5.71	91,059,406	5.37
<i>Public Shareholders</i>				
Placees	—	—	99,000,000	5.84
Other public Shareholders	<u>404,915,838</u>	<u>25.37</u>	<u>404,915,838</u>	<u>23.89</u>
<b>Total</b>	<u><u>1,595,975,244</u></u>	<u><u>100.00</u></u>	<u><u>1,694,975,244</u></u>	<u><u>100.00</u></u>

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment or waiver of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Authority”	any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign
“Board”	the board of Directors
“Business Day”	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
“Company”	Asia Energy Logistics Group Limited (亞洲能源物流集團有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	means any Business Day following within 5 Business Days after all the conditions of the Placing Agreement have been satisfied or waived (as the case maybe) or such other date as the Company and the Placing Agent may mutually agree in writing
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 15 April 2020 to allot, issue and deal with up to 20% of the then issued Shares (being 495,975,244 Shares) as at the date of passing such resolution, which is equivalent to 99,195,048 new Shares
“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

“Law”	any and all national, central, federal, provincial, state, regional, municipal, local, domestic or foreign laws (including, without limitation, any common law or case law), statutes, ordinances, legal codes, regulations or rules (including, without limitation, any and all regulations, rules, orders, judgments, decrees, rulings, opinions, guidelines, measures, notices or circulars (in each case, whether formally published or not and to the extent mandatory or, if not complied with, the basis for legal, administrative, regulatory or judicial consequences) of any Authority)
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placee(s)”	any individual, institutional or professional investor who and whose ultimate beneficial owners are (i) independent of the Company (and the Group), its connected person(s) and their respective associate(s), and (ii) independent of and not concerted parties with any persons, other Placee(s) or Shareholders
“Placing”	the placing of up to a maximum of 99,000,000 Placing Shares on a best efforts basis during the Placing Period
“Placing Agent”	VC Brokerage Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 31 August 2020 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing forthwith upon the execution of the Placing Agreement and expiring at 5:00 p.m. on 21 September 2020 (both dates inclusive) or such late date as the Company and the Placing Agent may agree in writing
“Placing Price”	HK\$0.25 per Placing Share
“Placing Share(s)”	up to a maximum of 99,000,000 new Shares to be issued under the General Mandate pursuant to the Placing
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholders”	holders of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	shall have the meaning ascribed thereto under the Listing Rules
“%”	per cent.

By Order of the Board of  
**Asia Energy Logistics Group Limited**  
**Pang Yuet**  
*Chairman and Executive Director*

Hong Kong, 31 August 2020

*As at the date of this announcement, the executive Directors of the Company are Mr. Pang Yuet (Chairman), Ms. Jian Qing, Mr. Fu Yongyuan and Mr. Wu Jian; and the independent non-executive Directors of the Company are Mr. Ng Kwun Wan, Mr. Wong Cheuk Bun and Mr. Chan Sing Fai.*