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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the annual report of Asia Energy Logistics Group Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 (the “**Annual Report**”). Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those set out in the Annual Report.

In addition to the information provided in the Annual Report, the Board would like to provide further information and breakdown in relation to the use of net proceeds raised from the 2019 CB; the other operating expenses of the Group; and the share options under the 2008 Share Option Scheme and the 2018 Share Option Scheme of the Company respectively as follows:

USE OF NET PROCEEDS

As at 31 December 2019, the Company had utilized approximately HK\$35,309,000 of the net proceeds raised from the 2019 CB and the remaining balance of the net proceeds amounted to approximately HK\$5,416,000. The expected timeline for full utilization of such remaining balance was on or before 30 June 2020. As disclosed in the announcement in respect of the interim results of the Group for the six months ended 30 June 2020 dated 7 August 2020, as at 30 June 2020, the Company had fully utilized the remaining balance of the net proceeds in the amount of approximately HK\$5,416,000 as per the intended uses as disclosed in the Annual Report.

BREAKDOWN OF OTHER OPERATING EXPENSES

The breakdown of other operating expenses of the Group for the year ended 31 December 2019 as disclosed in the Annual Report together with comparative figures of 2018 are set out below:

	2019	2018
	<i>HK\$</i>	<i>HK\$</i>
Legal and professional fees	7,867,000	12,140,000
Other administrative expenses	<u>6,109,000</u>	<u>9,660,000</u>
	<u><u>13,976,000</u></u>	<u><u>21,800,000</u></u>

SHARE OPTIONS UNDER THE 2008 SHARE OPTION SCHEME AND THE 2018 SHARE OPTION SCHEME

As at 31 December 2019, a total of 21,704,054 unexercised share options (adjusted as a result of the Share Consolidation) under the 2008 Share Option Scheme were all fully vested and their respective exercise periods were: (i) from 21 April 2011 to 20 April 2021 for 2,534,000 unexercised share options (adjusted as a result of the Share Consolidation) which were granted on 21 April 2011; and (ii) from 16 April 2018 to 15 April 2028 for 19,170,054 unexercised share options (adjusted as a result of the Share Consolidation) which were granted on 16 April 2018.

As at 31 December 2019, a total of 97,325,048 unexercised share options (adjusted as a result of the Share Consolidation) under the 2018 Share Option Scheme were all fully vested and their respective exercise periods were: (i) from 29 August 2018 to 28 August 2028 for 48,427,524 unexercised share options (adjusted as a result of the Share Consolidation) which were granted on 29 August 2018; and (ii) from 4 July 2019 to 3 July 2029 for 48,897,524 unexercised share options (adjusted as a result of the Share Consolidation) which were granted on 4 July 2019. In respect of the grant of a total of 49,597,524 share options (adjusted as a result of the Share Consolidation) under the 2018 Share Option Scheme on 4 July 2019, the closing price per Share as quoted on the Stock Exchange immediately before the date on which they were granted was HK\$0.09 (equivalent to HK\$0.45 per Share adjusted as a result of the Share Consolidation).

As disclosed in the circular dated 17 June 2020 of the Company in respect of the issue of new shares and convertible bonds under the specific mandate and application for whitewash waiver and consent for special deals, all the aforesaid unexercised share options had been cancelled in accordance with the terms of the 2008 Share Option Scheme and the 2018 Share Option Scheme respectively.

The above additional information does not affect the contents of the Annual Report.

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

Hong Kong, 20 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.