

# 2021

INTERIM REPORT

亞洲能源物流  
**ASIAENERGY**  
Logistics

亞洲能源物流集團有限公司  
**ASIA ENERGY LOGISTICS GROUP LIMITED**

(Incorporated in Hong Kong with limited liability)

Stock Code : 351



# Contents

2	Management Discussion and Analysis
2	– Business Review
4	– Prospects
5	– Financial Review
13	– Employees
13	– Change in Directorship
14	– Use of New Proceeds
16	Corporate Governance and Other Information
16	– Corporate Governance
16	– Board of Directors
20	– Compliance with Model Code
20	– Sufficiency of Public Float
20	– Risk Management and Internal Control
21	– Disclosure of Interests
23	– Share Option Scheme
25	– Related Party Transactions
25	– Purchase, Sale or Redemption of Listed Securities of the Company
26	Condensed Consolidated Statement of Comprehensive Income
29	Condensed Consolidated Statement of Financial Position
31	Condensed Consolidated Statement of Changes in Equity
32	Condensed Consolidated Statement of Cash Flows
33	Notes to the Condensed Consolidated Interim Financial Statements
60	Glossary

# Management Discussion and Analysis

## Business Review

During the period under review, the Company and its subsidiaries (together, the "Group"), were principally engaged in the (i) shipping and logistics business and (ii) telecommunication related business in the PRC.

## Continuing Operations

### *Shipping and Logistics*

The Group currently operates a fleet of two dry bulk carriers trading worldwide. The total carrying capacity of the Group's dry bulk fleet is about 64,000 DWT (30 June 2020: about 92,000 DWT).

All of the vessels of the Group were under full employment throughout the period under review.

Although there was fluctuation in the Baltic Dry Index (BDI) which measures the demand for shipping capacity versus the supply of dry bulk, the charter rates for the Group's own fleet were maintained at a profitable level during the first half of 2021.

For the period under review, the Group recorded a revenue of approximately HK\$23,939,000 (six months ended 30 June 2020: approximately HK\$23,668,000), representing an increase of approximately 1% as compared to the corresponding period of 2020. The gross profit was approximately HK\$1,051,000 (six months ended 30 June 2020: approximately HK\$4,678,000), representing a decrease of approximately 78% as compared to the same period of 2020. The increase in the revenue and the decrease in gross profit were due to the increase in hire rates and the increase in the staff costs of the crew members respectively.

Overall, the performance of the Group's own vessels was satisfactory and has made positive contributions to the Group during the period under review.

## Management Discussion and Analysis

### ***Telecommunications Related Business***

The Group completed the acquisition of a SMS business via Beishang Limited in May 2021. For the period under review, the SMS business contributed a revenue of approximately HK\$735,000 to the Group.

### **Discontinued Operations**

The Group had started its shipping business in the PRC in May 2010 through the JV Group. The JV Group had two handysize vessels with carrying capacity of approximately 35,000 DWT each operating in the PRC domestic shipping market.

With regard to the continuous recognition of 50% share of loss of the JV Group since its formation and in the foreseeable future, whilst the Group on its own has been operating its own fleet of vessels and continuing to engage in the shipping and logistics business, the investment in the JV Group no longer served as a viable business opportunity with a profitable prospect for the Group. The Board was of the view that putting the JV Group into liquidation via liquidation of i) Ocean Path Limited ("Ocean Path"), a company incorporated in the British Virgin Islands (the "BVI") with limited liability and ii) Ocean Jade Investments Limited ("Ocean Jade"), a company incorporated in the BVI with limited liability and its equity interest was then 100% held by Ocean Path, which in turn held 50% equity interest in the JV Group, was in the best interests of the Company and its Shareholders as a whole principally because this would enable the Company to reduce its losses in connection with the JV Group whereas the resources and management efforts could be placed on the shipping and logistic business operated by the Group itself. Details of the liquidation of Ocean Jade were set out in the announcement of the Company dated 21 August 2020 (the "JV Liquidation").

Upon the JV Liquidation, the Group had lost control over Ocean Path and Ocean Jade and as a result, the JV Group was derecognised in the consolidated financial statements during the year ended 31 December 2020. The JV Liquidation was then completed in January 2021.

## Management Discussion and Analysis

In addition, the Group also disposed of MV Asia Energy to an independent third party at a consideration of US\$3,300,000 (equivalent to approximately HK\$25,740,000) in January 2021. Accordingly, the result of MV Asia Energy was accounted for as discontinued operation for the six months ended 30 June 2021.

## Prospects

### Shipping and Logistics

The management of the Company expects that the shipping and logistics business will continue generating stable contributions in the upcoming year because the two vessels are on charter contracts which will run until mid-2022. The Company will negotiate with the charterer in respect of the charters of the two vessels in the fourth quarter of 2021. The Company expects that the new charter rate would be significantly increased if the current market conditions could be maintained until the materialization of the new charter contracts.

The Company has been also in process of identifying potential target vessels, including obtaining a list of potential target vessels from ship broker and assessing their specification, for the acquisition of an additional vessel in order to enhance its carrying capacity.

### Telecommunications Related Business

In May 2021, the chatbot “Translation i” developed by the Group was awarded in 5G Messaging Chatbot Innovation and Development Competition jointly organized by China Unicom and China Telecom. The management expects that “Translation i” will bring positive revenue contributions to the Group upon the commercialization of 5G messaging in the near future, and also enhance its competitive advantage of the basic value-added telecommunications businesses at the same time.

## Management Discussion and Analysis

In July 2021, the 5G mobile communication base stations developed by the Group obtained the Radio Transmission Equipment Type Approval Certificates and Network Access Licence issued by the Ministry of Industry and Information Technology of the PRC, and their signal frequency range covers China Mobile, which are mainly used for voice and data communication and provide with wireless coverage, to realize wireless signal transmission between wired communication networks and wireless terminal and support independent networking and other functions. The Group will continue to provide customers with highly competitive communication products with keen market insight, leading technology and comprehensive services to meet the rapidly growing market demand and achieve common development with users.

The directors will continuously look for opportunities to expand its fleet size by acquiring vessels and other suitable investments, which will bring in synergy with and positive contributions to the existing businesses.

### Financial Review

For the period under review, the unaudited revenue of the Group was approximately HK\$24,674,000 (six months ended 30 June 2020: approximately HK\$23,668,000), representing an increase of approximately 4% as compared to the corresponding period of 2020.

The Group recorded a loss from continuing operations for the period under review of approximately HK\$20,357,000 (six months ended 30 June 2020: approximately HK\$36,048,000) representing a decrease of approximately 44% as compared to the corresponding period of 2020. The decrease in loss from continuing operations was mainly attributable to (i) the decrease in finance costs and (ii) the absence of change in the fair value of derivative components of the convertible bonds resulted from the repayment of the convertible bonds in July 2020. The loss for the period under review of the Group amounted to approximately HK\$21,113,000 (six months ended 30 June 2020: approximately HK\$42,982,000), representing a decrease of approximately 51% as compared to the corresponding period of last year.

## Management Discussion and Analysis

For the period under review, the basic and diluted loss per Share from continuing operations was HK1.17 cents (30 June 2020: HK7.27 cents) whilst the basic and diluted loss per Share from discontinued operations was HK0.04 cents (30 June 2020: HK1.40 cents).

### Financial Resources, Liquidity and Gearing Ratio

The Group is mainly financed by various convertible bonds, shareholders' equity and internally generated cash flows.

As at 30 June 2021, the Group had bank and cash balances of approximately HK\$69,987,000 (31 December 2020: approximately HK\$76,754,000).

As at 30 June 2021, the Group had no bank loans (31 December 2020: Nil).

As at 30 June 2021, the gearing ratio of the Group was approximately 20% (31 December 2020: approximately 14%). For this purpose, the gearing ratio is calculated as total debt divided by total equity.

### Share Capital

As at 30 June 2021, the total number of Shares in issue was 1,694,975,244.

### Convertible Bonds

#### *2019 Convertible Bonds*

On 25 June 2019, the Company entered into a placing agreement (the "2019 CB Placing Agreement") with the placing agent, VC Brokerage Limited ("VCB"), pursuant to which, the Company had proposed to offer for subscription, and VCB had agreed to procure not less than six places to subscribe for the convertible bonds in the aggregate principal amount of HK\$60,000,000 for a term of three years (the "2019 CB"), on a best effort basis, on the terms and subject to the conditions as set out in the 2019

## Management Discussion and Analysis

CB Placing Agreement (the "2019 CB Placing"). Based on the initial conversion price of HK\$0.06 (equivalent to HK\$0.30 after Share Consolidation) per conversion Share, a total of 1,000,000,000 conversion Shares (equivalent to 200,000,000 conversion Shares after Share Consolidation) will be allotted and issued upon exercise of the conversion rights in full of the 2019 CB under the specific mandate granted by the Shareholders of the Company in the General Meeting which was held on 15 August 2019, details of the 2019 CB had been disclosed in the announcement dated 25 June 2019 and the circular dated 26 July 2019 of the Company.

In the General Meeting duly held on 15 August 2019, the ordinary resolution approving the 2019 CB Placing under the specific mandate was passed by the Shareholders. Upon the Share Consolidation becoming effective on 19 August 2019, the initial conversion price per conversion Share was adjusted from HK\$0.06 to HK\$0.30 and the number of conversion Shares to be issued and allotted upon full exercise of the 2019 CB was adjusted from 1,000,000,000 Shares to 200,000,000 Shares, respectively.

As the Company and VCB contemplated that further time was required to satisfy or fulfill the conditions precedent to the 2019 CB Placing Agreement, on 13 September 2019, both parties entered into a supplemental agreement to the 2019 CB Placing Agreement to extend the placing period from 15 September 2019 to 4 October 2019 and the long stop date from 30 September 2019 to 31 October 2019 respectively, whilst all other terms in the 2019 Placing Agreement remained unchanged.

Having taking into account the progress of the 2019 CB Placing Agreement, on 4 October 2019, the Company and VCB entered into a second supplemental agreement to further extend the placing period from 4 October 2019 to 25 October 2019 and the long stop date from 31 October 2019 to 15 November 2019 so as to allow VCB more time to soliciting potential subscribers of the 2019 CB.



## Management Discussion and Analysis

On 14 November 2019, the Company announced that the conditions precedent to completion as set out in the 2019 CB Placing Agreement (as amended by the supplemental agreement dated 13 September 2019 and the second supplemental agreement dated 4 October 2019) had been fulfilled and the completion took place on 14 November 2019. A portion of the 2019 CB in an aggregate principal amount of HK\$42,500,000 with the conversion price of HK\$0.30 per conversion Share had been successfully placed to six placees, who are independent third parties to the Company.

Upon the completion of the Subscription and the relevant transactions contemplated thereunder on 13 July 2020, except for a principal amount of HK\$500,000, the remaining balance of the 2019 CB was fully settled during the financial year ended 31 December 2020. As at the date of this Interim Report, the outstanding principal amount of the 2019 CB was HK\$500,000.

### **Dilution Effect of the Conversion of the 2019 CB**

In case of full conversion by the placees in accordance with the terms of the 2019 CB Placing Agreement (as amended by the supplemental agreement dated 13 September 2019 and the second supplemental agreement dated 4 October 2019) for the issue of the 2019 CB, 1,666,666 Shares (as adjusted as a result of the Share Consolidation), representing approximately 0.10% of the number of total Shares in issue as at 30 June 2021 at the adjusted conversion price of HK\$0.30 per conversion Share (as adjusted as a result of the Share Consolidation) will be issued and allotted to the bondholders.

To the best knowledge, information and belief of the Directors, the following table sets out the total number of Shares to be issued upon full conversion of the 2019 CB at the adjusted conversion price of HK\$0.30 per conversion Share only.

## Management Discussion and Analysis

Shareholders	As at 30 June 2021		Immediately after full conversion of the 2019 CB at the adjusted conversion price of HK\$0.30 per conversion Share	
	Number of Shares	Approximate % of Issued Shares	Number of Shares	Approximate % of Issued Shares
<b>Substantial Shareholders</b>				
Oriental Solar Group Limited	1,100,000,000	64.90	1,100,000,000	64.83
Wong Kin Ting	91,059,406	5.37	91,059,406	5.37
The bondholder of the 2019 CB	—	—	1,666,666	0.10
<b>Public Shareholders</b>	503,915,838	29.73	503,915,838	29.70
<b>Total</b>	1,694,975,244	100	1,696,641,910	100

### Redemption Obligations

According to the terms and conditions of the 2019 CB Placing Agreement (as amended by the supplemental agreement dated 13 September 2019 and the second supplemental agreement dated 4 October 2019), neither the Company nor any bondholders shall have the right to redeem (in the case of the Company) or request for redemption (in the case of the bondholders) as the cases may be in whole or in part of the 2019 CB then outstanding prior to the maturity date, which will fall on the third anniversary date of the issue date of the 2019 CB.

## Management Discussion and Analysis

### Analysis on the Share Price

The analysis of the Company's Share price at which it would be equally financially advantageous for the bondholders to convert the 2019 CB based on its implied rate of return at a range of dates in the future is set out below.

<b>Conversion dates for the Analysis</b>	<b>Share Price</b> HK\$	<b>Implied rate of return of the bondholder of the 2019 CB</b>
31 December 2021	0.335	8%

### 2020 Convertible Bonds

On 8 March 2020, the Company entered into the Subscription Agreement with Oriental Solar Group Limited, pursuant to which the Company agree to issue the 2020 CB for a term of 3 years, on the terms and subject to the condition set out in the Subscription Agreement. Based on the initial conversion price of HK\$0.16 per conversion Share, a total of 300,000,000 Shares will be allotted and issued upon exercise of the conversion rights in full of the 2020 CB, under the specific mandate of the Company to be granted by the Shareholders at a general meeting of the Company.

At the Company's general meeting held on 9 July 2020, an ordinary resolution approving the Subscription Agreement and the grant of the specific mandate was duly passed by the Shareholders thereat.

On 13 July 2020, the Company announced that all the conditions precedent to the Subscription Agreement have been fulfilled and the closing took place on 13 July 2020. As at the date of this Interim Report, the outstanding principal amount of the 2020 CB was HK\$48,000,000.

## Management Discussion and Analysis

### Dilution Effect of the Conversion of the 2020 CB

In case of full conversion by the bondholder in accordance with the terms of the Subscription Agreement for the issue of the 2020 CB, 300,000,000 Shares representing approximately 17.70% of the number of total Shares in issue as at 30 June 2021 at the initial conversion price of HK\$0.16 per conversion Share will be issued and allotted to the bondholders.

To the best knowledge, information and belief of the Directors, the following table sets out the total number of Shares to be issued upon full conversion of the 2020 CB at the initial conversion price of HK\$0.16 per conversion Share only.

Shareholders	As at 30 June 2021		Immediately after full conversion of the 2020 CB at the adjusted conversion price of HK\$0.16 per conversion Share	
	Number of Shares	Approximate % of Issued Shares	Number of Shares	Approximate % of Issued Shares
<b>Substantial Shareholders</b>				
Oriental Solar Group Limited	1,100,000,000	64.90	1,400,000,000	70.18
Wong Kin Ting	91,059,406	5.37	91,059,406	4.56
<b>Public Shareholders</b>	503,915,838	29.73	503,915,838	25.26
<b>Total</b>	1,694,975,244	100	1,994,975,244	100

### Redemption Obligations

According to the terms and conditions of the Subscription Agreement, the Company can at any time redeem all or part of the principal amount of the 2020 CB which the conversion right is not yet exercised by issuing a notice with not less than 2 business days before the maturity date. However, the bondholder can choose to convert upon receipt of the redemption notice from the Company. The bondholder shall not require the Company to redeem the whole or remaining amount or any part of the principal amount of the 2020 CB before the maturity date.

## Management Discussion and Analysis

### Analysis on the Share Price

The analysis of the Company's Share price at which it would be equally financially advantageous for the bondholders to convert the 2020 CB based on its implied rate of return at a range of dates in the future is set out below.

<b>Conversion dates for the Analysis</b>	<b>Share Price</b> HK\$	<b>Implied rate of return of the bondholder of the 2020 CB</b>
31 December 2021	0.179	8%
31 December 2022	0.192	8%

### Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plan for Material Investments or Capital Assets

Save for those disclosed in the sections headed "Business Review" and "Prospects" above, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the period under review.

As at the date of this Interim Report, save as disclosed herein, there was no plan authorized by the Board for any material investments or additions of capital assets.

### Pledge of Assets and Contingent Liabilities

As at 30 June 2021, the financial assets at fair value through profit or loss of HK\$28,122,000 (31 December 2020: Nil) was pledged as collateral for a margin facilities of HK\$3,143,000 granted by a regulated securities broker.

As at 30 June 2021, the Group did not have any contingent liabilities (31 December 2020: Nil).

## Management Discussion and Analysis

### Capital Commitments

As at 30 June 2021, the Group had no capital commitment (31 December 2020: Nil).

### Exposure to Fluctuation in Exchange Rates

The Group's assets, liabilities and transactions are mainly denominated in the functional currency of the operations to which the transactions relate and did not have significant exposure to risk resulting from changes in foreign currency exchange rates, the Directors consider that the Group's currency exchange risk is minimal. Therefore, no hedging devices or other alternatives have been implemented.

### Employees

As at 30 June 2021, the Group had 45 (31 December 2020: 20) full-time employees in Hong Kong and the PRC. Staff costs of the Group for the period under review, including Directors' remuneration, were approximately HK\$11,825,000 (30 June 2020: approximately HK\$6,540,000). The Group decides the remunerations payable to its staff based on their duties, working experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees. The Group also participates in a defined contribution mandatory provident fund scheme and the retirement benefit scheme for its Hong Kong and PRC employees respectively.

The Company had adopted the 2018 Option Scheme on 20 August 2018. As at 30 June 2021, there were no outstanding options granted under the 2018 Share Option Scheme entitling the holders thereof to subscribe for Shares, details are set out in pages 23 to 25 of this Interim Report.

### Change in Directorship

During the period under review, there were no changes in Directors of the Company.

## Management Discussion and Analysis

### Use of New Proceeds

1. As at the date of this Interim Report, the utilization of the net proceeds amounting to approximately HK\$222,000,000 raised from the Subscription is set out below:

<b>Intended Uses</b>	<b>Allocation</b> HK\$ million	<b>Utilization as at 20 August 2021, being the date of this Interim Report</b> HK\$ million	<b>Remaining Balance</b> HK\$ million
Repayment of the GIC CB, the 2018 CB and the 2019 CB	169	169	—
General working capital of the Group	20	20	—
Further acquisition of vessel or potential business development	33	11	22
<b>Total</b>	222	200	22

2. As at the date of this Interim Report, the utilization of the net proceeds amounting to approximately HK\$24,000,000 raised from the 2020 Placing is set out below:

<b>Intended Uses</b>	<b>Allocation</b> HK\$ million	<b>Utilization as at 20 August 2021, being the date of this Interim Report</b> HK\$ million	<b>Remaining Balance</b> HK\$ million
Further acquisition of vessel	24	—	24
<b>Total</b>	24	—	24

## Management Discussion and Analysis

The Group is in the process of identifying potential target vessels suitable for its proposed acquisition. However, the price of vessels available for sale in the market was fluctuated as indicated by BDI that which has increased by over 140% since the beginning of 2021.

The Company has been careful in considering the price of available dry bulk vessels in the market, as well as the location of the potential target vessels in the market. The coronavirus pandemic has also contributed to the time the Company needs in identifying suitable acquisition targets due to the impacts caused to the shipping industry. The impacts include the closure of ports/borders for crew changes and the travelling restrictions imposed on vessel crews. The Company has been in close watch of the market conditions, including but not limited to the price of vessels and the available ports for crew changes and the vessel acquisition will only materialise in the best interest of the Company should an acquisition opportunity arises. It is expected that the remaining balance of above new proceeds would be utilized by 2021.

On behalf of the Board

**Pang Yuet**

*Chairman and Executive Director*

Hong Kong, 20 August 2021



# Corporate Governance and Other Information

## Corporate Governance

### Compliance with Corporate Governance Code

The Company is committed in maintaining high standard of corporate governance and considers that effective corporate governance enhances corporate success and its Shareholder value. The Company has adopted and applied the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules. Throughout the six months ended 30 June 2021, the Company has complied with the CG Code save as specified and explained below:

#### Code Provision A.2.1

The post of chief executive (the “Chief Executive”) of the Company has remained vacant since March 2000. The duties of Chief Executive have been performed by other Executive Directors of the Company. As there is a clear division of responsibilities of each Director, the vacancy of the post of Chief Executive did not have any material impact on the operations of the Group. However, the Board will review the current structure of the Board from time to time and if a candidate with suitable knowledge, skill and experience is identified, the Board will make an appointment to fill the post of Chief Executive as appropriate.

#### Code Provision E.1.2

Code provision E.1.2 stipulates that the Chairman should attend General Meetings. Mr. Pang Yuet, the Chairman and an ED was absent from the 2021 AGM held on 28 May 2021 due to other business engagements.

## Board of Directors

### (1) Board Composition

Save for (i) the resignation of Ms. Jian Qing as an ED on 1 July 2021; and (ii) the appointment of Mr. Hui Wai as an ED on 7 July 2021; there was no change in the composition of the Board since the last published 2020 Annual Report.

## Corporate Governance and Other Information

The composition of the Board as at the date of this Interim Report is set out below and their biographies are available on the Company's website.

### ***Executive Directors***

Mr. Pang Yuet (*Chairman*)

Mr. Sun Peng

Mr. Hui Wai (*appointed on 7 July 2021*)

### ***Independent Non-Executive Directors***

Mr. Ng Kwun Wan

Mr. Wong Cheuk Bun

Mr. Hon Ming Sang

## **(2) Disclosure of Information on Directors**

Save for the change in the directorships and composition of Board committees of the Company disclosed in the sections headed "Management Discussion and Analysis" and "Corporate Governance and Other Information – Board of Directors and Board Committees" in this Interim Report, since the last published 2020 Annual Report, there was no change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## Corporate Governance and Other Information

### (3) Board Committees

The Board currently has four committees, namely, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Executive Committee. All the Board committees are empowered by the Board under their own written terms of reference which were published on the Company's website. Their respective role and function and the composition of these committees are also available on the Company's website.

During the period under review, works and duties performed by the Board committees (either by ways of meetings or resolutions in writing of all members of the respective committees) were summarized as below:

#### ***Audit Committee***

- To consider and review the audited consolidated financial statements for the year ended 31 December 2020 and recommend the same to the Board for approval.

#### ***Nomination Committee***

- To consider the re-appointment of Directors at the 2021 AGM and assess the independence of INEDs; and
- To consider and propose the appointment of Mr. Hui Wai as an ED of the Company and a member of the Executive Committee with effect from 7 July 2021.

## Corporate Governance and Other Information

### **Remuneration Committee**

- To consider the remuneration package of Mr. Hui Wai as an ED of the Company and propose the same to the Board for approval.

### **Executive Committee**

- To approve the daily operational matters of the Group and the tasks as assigned by the Board.

#### **(4) Composition of the Board Committees**

During the period under review and up to the date of this Interim Report, there were changes to the composition of the Board Committees as follows:

### **Audit Committee**

Mr. Ng Kwun Wan (*Chairman*)  
Mr. Wong Cheuk Bun  
Mr. Hon Ming Sang

### **Remuneration Committee**

Mr. Ng Kwun Wan (*Chairman*)  
Mr. Wong Cheuk Bun  
Mr. Hon Ming Sang

### **Nomination Committee**

Mr. Pang Yuet (*Chairman*)  
Mr. Ng Kwun Wan  
Mr. Wong Cheuk Bun

### **Executive Committee**

Mr. Pang Yuet (*Chairman*)  
Mr. Sun Peng  
Mr. Hui Wai (*appointed on 7 July 2021*)  
Ms. Jian Qing (*resigned on 1 July 2021*)

## Corporate Governance and Other Information

The updated list of Directors and their role and function is available at the Company's website.

### (5) Continuous Professional Development

Ongoing professional trainings and seminars had been and will continuously be offered to all Directors in order for them to develop and refresh their knowledge and skills as Directors of listed company.

## Compliance with Model Code

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the Model Code throughout the period under review.

## Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float during the six months ended 30 June 2021 and up to the date of this Interim Report.

## Risk Management and Internal Control

During the period under review, the Group has complied with Code Provision C.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis.

The Group has outsourced the internal audit work (the "IA function") to SHINEWING Risk Services Limited, which is one of the professional internal audit services providers in Hong Kong. The IA function is independent of the Group's daily operations and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

## Corporate Governance and Other Information

### Disclosure of Interests

#### Directors' Interests and Short Positions in Shares and Underlying Shares and debentures

As at 30 June 2021, the following person(s) is/are Directors of the Company who had or was deemed to have an interest in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they had or were deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

#### Long Position in the Shares and underlying Shares

Name of Director	Capacity	Number of Shares held	Number of underlying	Approximate	
			Shares held under equity derivatives	Total	percentage of issued Shares
Mr. Pang	Interest of controlled corporation	1,100,000,000	300,000,000 (Note)	1,400,000,000	82.60%

Notes: Mr. Pang is deemed to be interested in 1,400,000,000 Shares through his interests in Oriental Solar Group Limited, which is 100% owned by Mr. Pang. Of the 1,400,000,000 Shares, 1,100,000,000 are Share directly held by Oriental Solar Group Limited and 300,000,000 shares are convertible under 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 per conversion Share (subject to adjustments). Immediately upon the issuance of the 300,000,000 conversion Shares, for illustrative purpose only and subject to the conversion restriction, Oriental Solar Group Limited accounts for approximately 70.18% of the enlarged shareholding of the Company.

## Corporate Governance and Other Information

Save as disclosed above, as at 30 June 2021, as far as the Board was aware, none of the Directors of the Company had or was deemed to have any interest or short position in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they had or were deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

So far as is known to any Directors, as at 30 June 2021, the following persons (not being a Director) had interests in the Shares or underlying Shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

#### *Long Position in the Shares and underlying Shares*

Name	Capacity	Number of Shares and underlying Shares held <i>(Note 1)</i>	Approximate percentage of issued Shares
Mr. Pang	Interest of controlled corporation <i>(Note 2)</i>	1,400,000,000(L)	82.60%
Oriental Solar Group Limited	Beneficial owner	1,400,000,000(L)	82.60%
Mr. Wong Kin Ting	Interest of controlled corporation <i>(Note 3)</i>	91,059,406(L)	5.37%
King Castle Enterprises Limited	Beneficial owner	85,159,406(L)	5.02%

## Corporate Governance and Other Information

*Notes:*

- (1) The letter “L” denotes a long position in the shares.
- (2) As at 30 June 2021, Mr. Pang Yuet held 100% equity interest in Oriental Solar Group Limited, the controlling shareholder of the Company. Accordingly, Mr. Pang Yuet was deemed to have an interest in all the shares beneficially owned by Oriental Solar Group Limited under the SFO.
- (3) As at 30 June 2021, Mr. Wong Kin Ting held 100% equity interests in both King Castle Enterprises Limited and Delight Assets Management Limited, which held 85,159,406 and 5,900,000 shares of the Company respectively. Accordingly, Mr. Wong Kin Ting was deemed to have an interest in all the shares beneficially owned by both King Castle Enterprises Limited and Delight Assets Management Limited under the SFO.

Save as disclosed above, as at 30 June 2021, the Company had not been notified of any other person (other than the Directors whose interests are set out in the section headed “Directors’ Interests and Short Positions in Shares and Underlying Share and Debentures” above) who had an interest or short position 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 as recorded in the register required to be kept under Section 336 of the SFO.

## Share Option Scheme

### 2018 Share Option Scheme

The 2018 Share Option Scheme was adopted by the Company on 20 August 2018 on terms in compliance with Chapter 17 of the Listing Rules for a term of ten years commencing from the date of adoption. The Company may grant options to selected participants (as defined in the 2018 Share Option Scheme) as incentives or rewards for their contributions to the Group (or any member of the Group) and/or to enable the Group (or any member of the Group) to recruit and retain high caliber employees and attract human resources that are valuable to the Group (or any member of the Group) and/or to any invested entity.



## Corporate Governance and Other Information

Under the 2018 Share Option Scheme, the Board has the authority to set the terms and conditions in respect of grant of options (e.g. the minimum period of the options to be held, the performance targets to be achieved before the options can be exercised and the subscription price). This provides the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help to achieve the purposes of the 2018 Share Option Scheme. The aggregate number of Shares in respect of which options (including both exercised and outstanding options) may be granted under the 2018 Share Option Scheme of the Company shall not exceed 10% of the total number of Shares in issue on its adoption date, i.e. 20 August 2018. Further, the maximum number of Shares which may be issued upon exercise of all outstanding options granted under the 2018 Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time. The total number of Shares issued and to be issued upon exercised of the Options granted and to be granted to eligible participant in any 12-month period shall not exceed 1% of the total number of Shares in issue of the Company.

The eligible participants as defined under the 2018 Share Option Scheme are as follows:

- (1) Any employees (whether full time or part time, including any EDs but excluding any NEDs) of the Company, or of any of its subsidiaries or invested entity in which the Group holds any equity interest;
- (2) Any NEDs (including INEDs) of the Company, any of its subsidiaries or any invested entity;
- (3) Any shareholders of any members of the Group or any invested entity or any holder of any securities issued or proposed to be issued by any member of the Group or any invested entity;

## Corporate Governance and Other Information

- (4) Any other entity (including any consultant, advisor, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner or service provider of any member of the Group) whom the Broad considers, in its sole discretion, has contributed or will contribute to the Group; or
- (5) Any other persons (including any individual staff member of any consultant, advisor, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner or service provider of any member of the Group) whom the Broad considers, in its sole discretion, has contributed or will contribute to the Group.

During the period under review, no options were granted, exercised and lapsed under the 2018 Share Option Scheme. There were no outstanding options on 30 June 2021 granted under the 2018 Share Option Scheme (31 December 2020: Nil).

### Related Party Transactions

Details of the related party transactions are set out in Note 21 to the Condensed Consolidated Interim Financial Statements. All related party transactions constituted connected transactions under the Listing Rules and that they have complied with the disclosure requirements in accordance with chapter 14A of the Listing Rules.

### Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the period under review.

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Note	For the six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (re-presented)
<b>Continuing operations</b>			
<b>Revenue</b>	4	24,674	23,668
Cost of services		(22,888)	(18,990)
<b>Gross profit</b>		1,786	4,678
Other income	5	1,635	1,499
Depreciation		(2,264)	(1,572)
Staff costs		(11,825)	(6,540)
Change in fair value of financial assets at FVPL		2,135	(1,301)
Change in fair value of derivative components of GIC Convertible Bonds		—	(11,705)
Other administrative and operating expenses		(8,436)	(7,339)
Finance costs	7	(3,388)	(13,768)
<b>Loss before tax from continuing operations</b>	8	(20,357)	(36,048)
Income tax expense	9	—	—
<b>Loss for the period from continuing operations</b>		(20,357)	(36,048)

## Condensed Consolidated Statement of Comprehensive Income

	Note	For the six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (re-presented)
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	10	(756)	(6,934)
<b>Loss for the period</b>		<b>(21,113)</b>	<b>(42,982)</b>
<b>Other comprehensive income</b>			
Exchange difference arising on translation of financial statements of foreign operations which may be reclassified subsequently to profit or loss		214	2,995
<b>Total comprehensive loss for the period</b>		<b>(20,899)</b>	<b>(39,987)</b>
<b>Loss for the period attributable to owners of the Company:</b>			
— from continuing operations		(19,894)	(36,048)
— from discontinued operations		(756)	(6,934)
		<b>(20,650)</b>	<b>(42,982)</b>
<b>Loss for the period attributable to non-controlling interests:</b>			
— from continuing operations		(463)	—
— from discontinued operations		—	—
		<b>(463)</b>	<b>—</b>

## Condensed Consolidated Statement of Comprehensive Income

		<b>For the six months ended 30 June</b>	
		<b>2021</b>	2020
<i>Note</i>		<b>HK\$'000</b> <b>(Unaudited)</b>	HK\$'000 (Unaudited) (re-presented)
<b>Total comprehensive loss for the period attributable to:</b>			
	— Owners of the Company	(20,440)	(39,987)
	— Non-controlling interests	(459)	—
		<b>(20,899)</b>	(39,987)
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted			
	— from continuing operations (HK cents)	11 (1.17)	(7.27)
	— from discontinued operations (HK cents)	11 (0.04)	(1.40)
		<b>(1.21)</b>	(8.67)

## Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Note	At 30 June 2021 HK\$'000 (Unaudited)	At 31 December 2020 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		157,283	162,889
Goodwill	13	1,026	—
Intangible asset		1,000	1,000
Right-of-use assets		10,835	2,187
		<b>170,144</b>	166,076
<b>Current assets</b>			
Trade and other receivables	14	9,005	8,007
Financial assets at FVPL	15	28,122	4,522
Bank balances and cash		69,987	76,754
		<b>107,114</b>	89,283
Asset classified as held for sale		—	24,858
		<b>107,114</b>	114,141
<b>Current liabilities</b>			
Trade and other payables	16	8,025	9,603
Lease liabilities		4,692	1,192
		<b>12,717</b>	10,795

## Condensed Consolidated Statement of Financial Position

	<i>Note</i>	At 30 June 2021 HK\$'000 (Unaudited)	At 31 December 2020 HK\$'000 (Audited)
<b>Net current assets</b>		94,397	103,346
<b>Total assets less current liabilities</b>		264,541	269,422
<b>Non-current liabilities</b>			
2019 Convertible Bonds	17	400	370
2020 Convertible Bonds	18	26,335	21,784
Lease liabilities		6,619	1,164
		33,354	23,318
<b>NET ASSETS</b>		231,187	246,104
<b>Capital and reserves</b>			
Share capital	19	1,906,379	1,906,379
Reserves		(1,680,715)	(1,660,275)
<b>Equity attributable to owners of the Company</b>		225,664	246,104
<b>Non-controlling interests</b>		5,523	—
<b>TOTAL EQUITY</b>		231,187	246,104

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total (deficits) equity HK\$'000
	Share capital HK\$'000	Capital reserve HK\$'000	Convertible bonds reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		
As at 1 January 2020 (Audited)	1,709,316	4,190	55,383	38,654	9,674	(1,878,183)	(60,966)	—	(60,966)
Loss for the period	—	—	—	—	—	(42,982)	(42,982)	—	(42,982)
<b>Other comprehensive income for the period</b>									
Exchange difference arising from translation of foreign operations	—	—	—	—	2,995	—	2,995	—	2,995
<b>Total comprehensive loss for the period</b>	—	—	—	—	2,995	(42,982)	(39,987)	—	(39,987)
Transactions with owners of the Company <i>Contributions and distribution:</i> Cancellation/Lapse of share options	—	—	—	(38,654)	—	38,654	—	—	—
As at 30 June 2020 (Unaudited)	1,709,316	4,190	55,383	—	12,669	(1,882,511)	(100,953)	—	(100,953)
<b>As at 1 January 2021 (Audited)</b>	1,906,379	4,190	30,418	—	75	(1,694,958)	246,104	—	246,104
Loss for the period	—	—	—	—	—	(20,650)	(20,650)	(463)	(21,113)
<b>Other comprehensive income for the period</b>									
Exchange difference arising from translation of foreign operations	—	—	—	—	210	—	210	4	214
<b>Total comprehensive loss for the period</b>	—	—	—	—	210	(20,650)	(20,440)	(459)	(20,899)
Transactions with owners of the Company <i>Contributions and distribution:</i> Acquisition of a subsidiary	—	—	—	—	—	—	—	5,982	5,982
<b>As at 30 June 2021 (Unaudited)</b>	1,906,379	4,190	30,418	—	285	(1,715,608)	225,664	5,523	231,187



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Net cash used in operating activities</b>	<b>(6,612)</b>	(8,971)
<b>INVESTING ACTIVITIES</b>		
Refundable earnest money refunded for an investment project	—	7,343
Proceeds from disposal of property, plant and equipment	—	40
Proceeds from disposal of a subsidiary	—	80
Proceeds from disposal of asset classified as held for sale	24,858	—
Purchase of financial assets at FVPL	(25,505)	—
Proceeds from disposal of financial assets at FVPL	4,539	189
Purchase of property, plant and equipment	(1,464)	—
Net cash outflow on acquisition of a subsidiary	(3,743)	—
<b>Net cash (used in) from investing activities</b>	<b>(1,315)</b>	7,652
<b>FINANCING ACTIVITIES</b>		
New other borrowings raised	3,046	3,000
Repayment of other borrowings	—	(3,000)
Repayment of lease liabilities	(1,886)	(1,399)
<b>Net cash from (used in) financing activities</b>	<b>1,160</b>	(1,399)
<b>Net decrease in cash and cash equivalents</b>	<b>(6,767)</b>	(2,718)
<b>Cash and cash equivalents at beginning of the period</b>	<b>76,754</b>	8,414
<b>Cash and cash equivalents at end of the period represented by bank balances and cash</b>	<b>69,987</b>	5,696

# Notes to the Condensed Consolidated Interim Financial Statements

## 1. CORPORATE INFORMATION

Asia Energy Logistics Group Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The Company’s registered office and principal place of business is located at Room 2906, 29/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (together, the “Group”) are engaged in shipping and logistics business and telecommunications related business.

In previous years, the Group operated shipping and logistics business in the People’s Republic of China (the “PRC”) through the joint venture invested by Ocean Jade Investments Limited (“Ocean Jade”). As a result of the dissolution of Ocean Path Limited (“Ocean Path”) and liquidation of Ocean Jade during the year ended 31 December 2020, the Group no longer operates shipping and logistics business in the PRC.

On 5 November 2020, Asia Energy Inc., an indirect wholly-owned subsidiary of the Company, entered into a memorandum of agreement for disposal of M/V Asia Energy (the “Vessel”) at cash consideration of US\$3,300,000 (equivalent to approximately HK\$25,740,000). The disposal was completed on 20 January 2021.

The management considers that the disposal of the Vessel, which are previously grouped under shipping and logistics segment, dissolution of Ocean Path and liquidation of Ocean Jade constituted discontinued operations during the year ended 31 December 2020. Accordingly, certain comparative figures in the condensed consolidated interim financial statements have been re-presented to separately reflect the results of the discontinued operations.

## Notes to the Condensed Consolidated Interim Financial Statements

### 2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2020.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing these condensed consolidated interim financial statements and their effect are the same as those applied to the consolidated financial statements of the Company for the year ended 31 December 2020.

The financial information relating to the year ended 31 December 2020 that is included in these condensed consolidated interim financial statements as comparative information does not constitute the Company’s specified financial statements for that year as defined in section 436 of the Hong Kong Companies Ordinance but is derived therefrom.

## Notes to the Condensed Consolidated Interim Financial Statements

### 2. BASIS OF PREPARATION *(continued)*

The Company's specified financial statements for the year ended 31 December 2020 had been delivered to the Registrar of Companies in Hong Kong. An auditor's report has been prepared on the specified financial statements for that year. The auditor's report:

- was not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the Hong Kong Companies Ordinance.

### 3. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the Company's consolidated financial statements for the year ended 31 December 2020 have been applied consistently to these condensed consolidated interim financial statements, except for the adoption of the following new/revised Hong Kong Financial Reporting Standards ("HKFRSs") that are effective from 1 January 2021.

The Group has adopted, for the first time, the following new/revised HKFRSs that are relevant to the Group.

Amendments to HKAS 39,  
HKFRSs 4, 7, 9 and 16

*Interest Rate Benchmark Reform —  
Phase 2*

The adoption of these amendments to HKFRSs does not have any significant impact on the condensed consolidated interim financial statements of the Group.

## Notes to the Condensed Consolidated Interim Financial Statements

### 4. REVENUE

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (re-presented)
<b>Continuing operations</b>		
<i>Operating lease income</i>		
Charter-hire income	23,939	23,668
<i>Revenue from contract with customers within HKFRS 15</i>		
Telecommunications service income	735	—
	24,674	23,668

The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised over time.

The Group did not enter into any contracts with customers within HKFRS 15 during the six months ended 30 June 2020.

## Notes to the Condensed Consolidated Interim Financial Statements

### 5. OTHER INCOME

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (re-presented)
Bank interest income	21	—
Loan interest income	—	225
Subsidy income under Employment Support Scheme	—	405
Gain on disposal of property, plant and equipment	—	40
Gain on disposal of a subsidiary	—	80
Recharge of expenses to charter parties	289	503
Gain on disposal of financial assets at FVPL	499	—
Claims from insurance company	603	—
Sundry income	223	246
	<b>1,635</b>	1,499

### 6. SEGMENT INFORMATION

The chief operating decision makers evaluate the performance of and allocate resources to operating segments based on the Group's internal reporting in respect of these segments. The Group's operating segments are structured and managed separately according to the nature of their businesses. The Group's reportable segments are as follows:

Continuing operations:

- (a) Shipping and logistics
- (b) Telecommunications related business

## Notes to the Condensed Consolidated Interim Financial Statements

### 6. SEGMENT INFORMATION *(continued)*

Discontinued operations:

- (a) Shipping and logistics (in relation to the Vessel as defined in note 10)

Segment results represent the result from each reportable segment without allocation of corporate income and expenses.

Six months ended 30 June 2021 (Unaudited)	Telecommunications related business HK\$'000	Shipping and logistics (Continuing operations) HK\$'000	Shipping and logistics (Discontinued operations) HK\$'000	Total HK\$'000
Segment revenue from external customers	735	23,939	457	25,131
Segment loss	(2,632)	(7,946)	(756)	(11,334)
Change in fair value of financial assets at FVPL				2,135
Other unallocated corporate expenses				(11,914)
Loss for the period				(21,113)
<b>Other segment information:</b>				
Depreciation of property, plant and equipment	(3)	(7,098)	—	(7,101)
Depreciation of right-of-use assets	(479)	(571)	—	(1,050)
Finance costs	(68)	(129)	—	(197)
Additions of property, plant and equipment	48	1,416	—	1,464

## Notes to the Condensed Consolidated Interim Financial Statements

### 6. SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2020 (Unaudited)	Shipping and logistics (Continuing operations) HK\$'000	Shipping and logistics (Discontinued operations) HK\$'000	Total HK\$'000
Segment revenue from external customers	23,668	8,475	32,143
Segment loss	(16,573)	(6,934)	(23,507)
Unallocated income			996
Other unallocated corporate expenses			(20,471)
Loss for the period			(42,982)
<b>Other segment information:</b>			
Change in fair value of derivative components			
of GIC Convertible Bonds	(11,705)	—	(11,705)
Depreciation of property, plant and equipment	(5,930)	(1,820)	(7,750)
Finance costs	(9,766)	—	(9,766)
Share of results of joint venture	—	(7,336)	(7,336)



## Notes to the Condensed Consolidated Interim Financial Statements

### 6. SEGMENT INFORMATION *(continued)*

	At 30 June 2021 HK\$'000 (Unaudited)	At 31 December 2020 HK\$'000 (Audited)
<b>Assets</b>		
<b>Continuing operations</b>		
Shipping and logistics	168,514	177,000
Telecommunications related business	44,205	25,001
<b>Discontinued operations</b>		
Shipping and logistics	438	27,111
Segment assets	213,157	229,112
Unallocated corporate assets	64,101	51,105
<b>Consolidated total assets</b>	<b>277,258</b>	<b>280,217</b>
<b>Liabilities</b>		
<b>Continuing operations</b>		
Shipping and logistics	4,104	7,458
Telecommunications related business	8,038	2,399
<b>Discontinued operations</b>		
Shipping and logistics	9	605
Segment liabilities	12,151	10,462
2019 Convertible Bonds	400	370
2020 Convertible Bonds	26,335	21,784
Other unallocated corporate liabilities	7,185	1,497
<b>Consolidated total liabilities</b>	<b>46,071</b>	<b>34,113</b>

## Notes to the Condensed Consolidated Interim Financial Statements

### 6. SEGMENT INFORMATION *(continued)*

#### Geographical information

Apart from the vessels and goodwill, approximately HK\$6,849,000 and HK\$5,486,000 of the Group's non-current assets are located in Hong Kong and the PRC respectively.

Geographical segment information of the Group's revenue arising from provision of shipping and logistics service is not presented as the directors consider that the relevant services are carried out internationally, preclude a meaningful allocation of operating results to specific geographical segments.

#### Major customers

Revenue information for the telecommunications related business based on locations of customers is as follows:

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
The PRC	735	—

## Notes to the Condensed Consolidated Interim Financial Statements

### 6. SEGMENT INFORMATION *(continued)*

#### Major customers *(continued)*

Revenue from customers from shipping and logistics segment individually accounting for 10% or more of the revenue of the Group is as follows:

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Continuing operations</b>		
Shipping and logistics		
Customer A	23,939	23,668

### 7. FINANCE COSTS

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Continuing operations</b>		
Interest on other borrowings	97	12
Interest on the GIC Convertible Bonds	—	9,766
Interest on the 2018 Convertible Bonds	—	1,156
Interest on the 2019 Convertible Bonds	37	2,678
Interest on the 2020 Convertible Bonds	2,838	—
Interest on lease liabilities	416	156
	3,388	13,768

## Notes to the Condensed Consolidated Interim Financial Statements

### 8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

This is stated after charging:

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (re-presented)
<b>Continuing operations</b>		
Depreciation of property, plant and equipment:		
Recognised in cost of services	6,615	5,930
Recognised in other administrative and operating expenses	488	335
	<b>7,103</b>	6,265
Depreciation of right-of-use assets, recognised in other administrative and operating expenses	1,776	1,237
Staff costs (including director's remuneration):		
Employee benefits expenses	11,348	6,403
Contributions to defined contribution retirement schemes	477	137
	<b>11,825</b>	6,540

## Notes to the Condensed Consolidated Interim Financial Statements

### 9. INCOME TAX

Hong Kong Profits Tax, if any, is calculated at 16.5% (six months ended 30 June 2020: 16.5%) on the estimated assessable profits for the six months ended 30 June 2021. The PRC enterprise income tax, if any, is provided at the rate of 25% (six months ended 30 June 2020: Nil) on the estimated assessable profits of subsidiaries operating in the PRC.

No provision for income tax has been made as the Group entities either had no estimated assessable profits or incurred tax losses for the six months ended 30 June 2021 and 2020.

### 10. DISCONTINUED OPERATIONS

The results of the discontinued operations are summarised as follows:

	For the six months ended 30 June 2021 Vessel HK\$'000 (Unaudited)
Revenue	457
Cost of services	(1,511)
Other income	306
Operating costs	(8)
Loss before tax	(756)
Taxation	—
Loss after tax from discontinued operations and loss attributable to discontinued operations	(756)

## Notes to the Condensed Consolidated Interim Financial Statements

### 10. DISCONTINUED OPERATIONS *(continued)*

For the six months ended 30 June 2020

	Vessel	Ocean Path and Ocean Jade	Total
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	8,475	—	8,475
Cost of services	(8,153)	—	(8,153)
Other income	116	—	116
Share of results of joint venture	—	(7,336)	(7,336)
Operating costs	(21)	(15)	(36)
Profit (Loss) before tax	417	(7,351)	(6,934)
Taxation	—	—	—
Profit (Loss) after tax from discontinued operations and profit (loss) attributable to discontinued operations	417	(7,351)	(6,934)

## Notes to the Condensed Consolidated Interim Financial Statements

### 11. LOSS PER SHARE

The calculation of the basic and diluted loss per share of the Company is based on the following data:

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (re-presented)
Loss attributable to owners of the Company		
— Continuing operations	(19,894)	(36,048)
— Discontinued operations	(756)	(6,934)
Weighted average number of ordinary shares for basic and diluted loss per share	1,694,975,244	495,975,244

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (re-presented)
Loss per share		
Basic and diluted		
— Continuing operations (HK cents)	(1.17)	(7.27)
— Discontinued operations (HK cents)	(0.04)	(1.40)
	(1.21)	(8.67)

## Notes to the Condensed Consolidated Interim Financial Statements

### 11. LOSS PER SHARE *(continued)*

Diluted loss per share for the six months ended 30 June 2021 is same as the basic loss per share. The calculation of diluted loss per share for the six months ended 30 June 2021 does not assume the conversion of the Company's outstanding convertible instruments since the conversion would result in an anti-dilutive effect on the basic loss per share.

Diluted loss per share for the six months ended 30 June 2020 is same as the basic loss per share. The calculation of diluted loss per share for the six months ended 30 June 2020 does not assume (i) the conversion of the Company's outstanding convertible instruments; (ii) the exercise of the Company's outstanding share options; and (iii) the issuance of the contingent consideration shares since the conversion and exercise would result in an anti-dilutive effect on the basic loss per share and the condition for issuance is not satisfied.

### 12. DIVIDEND

No dividend was paid or declared by the Company during the six months ended 30 June 2021 and 2020.

The directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2021 and 2020.



## Notes to the Condensed Consolidated Interim Financial Statements

### 13. GOODWILL

	<i>Note</i>	At 30 June 2021 HK\$'000 (Unaudited)	At 31 December 2020 HK\$'000 (Audited)
<b>Reconciliation of carrying amount</b>			
As at 1 January		—	—
Acquisition of a subsidiary	20	1,026	—
<b>As at 30 June 2021 and 31 December 2020</b>		<b>1,026</b>	—

A goodwill of approximately HK\$1,026,000 arising from the acquisition of Beishang Limited (“Beishang BVI”), its subsidiaries and Beijing Beishang Xidian Technology Co., Ltd. (the “Consolidated Affiliated Entity”) (collectively the “Beishang Group”), representing the excess of the consideration transferred and the amount of non-controlling interest in the Beishang Group over the fair values of the identifiable assets acquired and the liabilities assumed as at 5 May 2021, has been recognised in the condensed consolidated financial statements during the six months ended 30 June 2021.

For the six months ended 30 June 2021, no impairment loss was made on the goodwill.

## Notes to the Condensed Consolidated Interim Financial Statements

### 14. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	At 30 June 2021 HK\$'000 (Unaudited)	At 31 December 2020 HK\$'000 (Audited)
<b>Trade receivables</b>	14(a)		
— Lease income receivables		1,391	1,932
— Service income receivables		533	1,188
		<b>1,924</b>	3,120
<b>Other receivables</b>			
Amount due from GCGM	14(b)	3,002	3,002
Other debtors		3,216	3,882
Deposits		2,185	449
Prepayments		1,680	556
		<b>10,083</b>	7,889
Less: Loss allowance on amount due from GCGM	14(b)	<b>(3,002)</b>	(3,002)
		<b>7,081</b>	4,887
		<b>9,005</b>	8,007

## Notes to the Condensed Consolidated Interim Financial Statements

### 14. TRADE AND OTHER RECEIVABLES *(continued)*

#### 14(a) Trade receivables

As at 30 June 2021, all trade receivables aged within 180 days (31 December 2020: 180 days), based on the invoice date.

#### 14(b) Amount due from Golden Concord Group Management Limited ("GCGM")

As at 30 June 2021 and 31 December 2020, the balance was guaranteed by Golden Concord Group Limited, carried interest at fixed rate of 18% per annum and past due over 180 days, net off impairment loss of HK\$3,002,000.

### 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

	At 30 June 2021 HK\$'000 (Unaudited)	At 31 December 2020 HK\$'000 (Audited)
Mandatorily measured at FVPL Securities listed in Hong Kong	28,122	4,522

As at 30 June 2021, margin facilities of HK\$3,534,000 (31 December 2020: HK\$959,000) from a regulated securities broker was granted to the Group under which the securities listed in Hong Kong of HK\$14,402,000 (31 December 2020: HK\$4,522,000) were pledged as collateral for the facilities granted. The Group utilised the margin facilities of HK\$3,143,000 as at 30 June 2021 as detailed in note 16b (31 December 2020: Nil).

The fair value of the securities listed in Hong Kong is based on the quoted market price which is a level 1 input in accordance with HKFRS 13.

## Notes to the Condensed Consolidated Interim Financial Statements

### 16. TRADE AND OTHER PAYABLES

	<i>Note</i>	At 30 June 2021 HK\$'000 (Unaudited)	At 31 December 2020 HK\$'000 (Audited)
<b>Trade payables</b>	16(a)	539	4,157
<b>Other payables</b>			
Accruals and other payables		3,851	4,516
Receipts in advance		492	930
Other borrowings from a regulated securities broker	16(b)	3,143	—
		<b>7,486</b>	5,446
		<b>8,025</b>	9,603

#### 16(a) Trade payables

As at 30 June 2021 and 31 December 2020, all trade payables aged within 30 days, based on the invoice date.

#### 16(b) Other borrowings from a regulated securities broker

As at 30 June 2021, the other borrowings from a regulated securities broker are secured by securities listed in Hong Kong of HK\$14,402,000 and repayable on demand, bear interest at rate of 10% per annum.

## Notes to the Condensed Consolidated Interim Financial Statements

### 17. 2019 CONVERTIBLE BONDS

On 25 June 2019, the Company entered into a placing agreement (the "2019 CB Placing Agreement") with VC Brokerage Limited ("VCB") pursuant to which the Company proposed to offer for subscription, and VCB agreed to procure not less than six places to subscribe for, 3-year non-redeemable convertible bonds up to HK\$60,000,000 (the "2019 Convertible Bonds") on a best effort basis on the terms and subject to the conditions set out in the 2019 CB Placing Agreement.

The 2019 Convertible Bonds bear 2.5% interest per annum and carry a right to convert the aggregate principal amount into conversion shares at the initial conversion price of HK\$0.0577 per conversion share (before share consolidation) during the period from the date of expiry of the period of twelve months after the issue date and ending on the third business day prior to the maturity date, the date falling on the third anniversary of the issue date (both days inclusive).

The conditions specified in the 2019 CB Placing Agreement (as revised and supplemented by the first supplemental agreement dated 13 September 2019 and second supplemental agreement dated 4 October 2019) have been fulfilled and the completion of the placing took place on 14 November 2019. A portion of the 2019 Convertible Bonds in the principal amount of HK\$42,500,000 with the initial conversion price of HK\$0.0577 was successfully placed to six places. The effective interest rate of the liability component on initial recognition is 21.20% per annum.

After the share consolidation completed on 19 August 2019, the conversion price of the 2019 Convertible Bonds has been changed to HK\$0.2885 per share.

## Notes to the Condensed Consolidated Interim Financial Statements

### 17. 2019 CONVERTIBLE BONDS *(continued)*

The movements of liability component of the 2019 Convertible Bonds are as follows:

	HK\$'000
As at 31 December 2020 (Audited)	370
Imputed interest expenses	37
Payment of interest expenses	(7)
As at 30 June 2021 (Unaudited)	400

### 18. 2020 CONVERTIBLE BONDS

On 8 March 2020, the Company, entered into a subscription agreement with Oriental Solar Group Limited ("Oriental Solar"), pursuant to which Oriental Solar has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue the convertible bonds ("2020 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 2020 Convertible Bonds are unsecured, interest-free and have a term of 3 years.

On 13 July 2020, the Company issued the 2020 Convertible Bonds of HK\$48,000,000 to Oriental Solar, the substantial shareholder of the Company.

## Notes to the Condensed Consolidated Interim Financial Statements

### 18. 2020 CONVERTIBLE BONDS *(continued)*

The Company can at any time redeem all or part of the principal amount of the 2020 Convertible Bonds which the conversion right is not yet exercised by issuing a notice with not less than 2 business days before the third anniversary of the date immediately after the initial issue date of the 2020 Convertible Bonds. The bondholder can choose to convert upon receipt of the redemption notice from the Company.

The management considered that the amount of the derivative component of the 2020 Convertible Bonds was immaterial to the Company after careful assessment with reference to the valuation performed by an independent professional qualified valuer. No derivative component of the 2020 Convertible Bonds was recognised in the condensed consolidated interim financial statements.

At initial recognition, the 2020 Convertible Bonds are separated into a liability component and an equity component representing the conversion options of the bondholders. The values of the liability component and the equity component were determined at the issue date. The fair value of the liability component was calculated using a market interest rate of 19.64% per annum for instruments without a conversion option of comparable credit status which is referenced to professional valuation conducted by an independent professional qualified valuer. The residual amount, representing the value of the equity component, has been included in the convertible bonds reserve.

The fair value of the 2020 Convertible Bonds is determined using valuation model for which involved unobservable inputs. The day-one loss, which represented the difference between the nominal value and the fair value of the 2020 Convertible Bonds at the issue date, is not recognised in the condensed consolidated statement of comprehensive income immediately but is deferred.

## Notes to the Condensed Consolidated Interim Financial Statements

### 18. 2020 CONVERTIBLE BONDS *(continued)*

The carrying value of the liability component and the equity component of the 2020 Convertible Bonds is net of the deferred day-one loss which is allocated to the liability component and the equity component on the same allocation basis of the allocation of the fair value of the 2020 Convertible Bonds. The deferred day-one loss in the liability component will be amortised over the term of the 2020 Convertible Bonds on the basis similar with the effective interest method and included in "Other administrative and operating expenses" in the condensed consolidated statement of comprehensive income and the deferred day-one loss in the equity component will be accounted for in the same basis as the equity component.

The effective interest rate of the liability component of the 2020 Convertible Bonds on initial recognition, which excluded the impact of the deferred day-one loss, is 19.81% per annum and is subsequently carried at amortised cost.

The movements of liability component of the 2020 Convertible Bonds are as follows:

	<b>Gross amount HK\$'000</b>	<b>Deferred day-one loss HK\$'000</b>	<b>Net amount HK\$'000</b>
Fair value of liability component as at the issue date at fair value	28,031	(10,275)	17,756
Imputed interest expenses	2,459	—	2,459
Amortisation of deferred day one loss	—	1,569	1,569
At 31 December 2020 (Audited)	30,490	(8,706)	21,784
Imputed interest expenses	2,838	—	2,838
Amortisation of deferred day one loss	—	1,713	1,713
At 30 June 2021 (Unaudited)	33,328	(6,993)	26,335



## Notes to the Condensed Consolidated Interim Financial Statements

### 19. SHARE CAPITAL

	At 30 June 2021		At 31 December 2020	
	Number of shares (Unaudited)	HK\$'000 (Unaudited)	Number of shares (Audited)	HK\$'000 (Audited)
<b>Issued and fully paid:</b>				
As at 1 January	1,694,975,244	1,906,379	495,975,244	1,709,316
Subscription shares issued on subscription, net of issue costs	—	—	1,100,000,000	172,930
Shares issued on placing, net of issue costs	—	—	99,000,000	24,133
As at 30 June 2021 and 31 December 2020	1,694,975,244	1,906,379	1,694,975,244	1,906,379

### 20. ACQUISITION OF A SUBSIDIARY

As disclosed in the Company's announcement dated 5 May 2021, a wholly-owned subsidiary of the Company, Sky Universe Investment Company Limited, completed the acquisition of 60% equity interest in Beishang BVI, a company incorporated in the British Virgin Islands with limited liability.

An indirectly wholly-owned subsidiary of Beishang BVI (the "WFOE"), incorporated in the PRC, has contractual arrangements (the "Contractual Agreements") with the Consolidated Affiliated Entity and its shareholders pursuant to which the WFOE is able to effectively control and receive substantially all of the economic benefits from the Consolidated Affiliated Entity. The Consolidated Affiliated Entity holds the ICP license for the purpose of conducting value-added telecommunications services in the PRC. The background of the Consolidated Affiliated Entity and the details of the Contractual Agreements are detailed in the Company's announcement dated 30 April 2021.

## Notes to the Condensed Consolidated Interim Financial Statements

### 20. ACQUISITION OF A SUBSIDIARY *(continued)*

As a result of the business combination, the Group is expected to diversify its business into telecommunications related business.

A goodwill of HK\$1,026,000 arising on the acquisition has been recognised in the condensed consolidated interim financial statements during the six months ended 30 June 2021 as detailed in note 13.

### 21. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated interim financial statements, the Group entered into the following significant related party transactions during the six months ended 30 June 2021:

- a) Compensation of key management personnel of the Group comprised the directors only whose remuneration is set out below.

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Salaries and other benefits	2,750	2,131
Contributions to defined contribution retirement scheme	18	30
	<b>2,768</b>	2,161

- b) Interest expenses in relation to the GIC Convertible Bonds of Nil (six months ended 30 June 2020: HK\$9,766,000) were charged by GIC Investment Limited.

## Notes to the Condensed Consolidated Interim Financial Statements

### 21. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

- c) Consultancy fee of HK\$360,000 (six months ended 30 June 2020: HK\$360,000) paid to Chatwin Financial PR Company Limited which is beneficially owned by Mr. Wu Jian, a director of certain subsidiaries of the Company.
- d) Loan interest income on amount due from GCGM of Nil (six months ended 30 June 2020: HK\$225,000) was charged to GCGM.
- e) Interest expenses in relation to the 2020 Convertible Bonds of approximately HK\$2,838,000 (six months ended 30 June 2020: Nil) was charged by Oriental Solar, the substantial shareholder of the Company.

The related party transactions disclosed in notes 21(b), 21(c), 21(d) and 21(e) constitute connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

### 22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following presents the financial assets measured at fair value in the condensed consolidated interim financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13 Fair Value Measurement with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 — Quoted price (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted price included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

## Notes to the Condensed Consolidated Interim Financial Statements

### 22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

**Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

At 30 June 2021	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)
Assets			
Financial assets at FVPL (Note 15)	28,122	—	—

  

At 31 December 2020	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)
Assets			
Financial assets at FVPL (Note 15)	4,522	—	—

The Group's financial assets at FVPL is measured at fair value. During the six months ended 30 June 2021, there was no transfer between Level 1 and Level 2 (six months ended 30 June 2020: nil), or transfer into or out of Level 3 (six months ended 30 June 2020: nil).

Further detail of the fair value of the financial assets at FVPL is set out in note 15.

# Glossary

2018 Convertible Bonds or 2018 CB	The convertible bonds in the aggregate outstanding principal amount of HK\$18,000,000 issued by the Company on 8 November 2018
2018 Share Option Scheme	The share option scheme adopted by the Company on 20 August 2018, the scheme mandate limit of which was refreshed on 27 May 2019
2019 AGM	The Company's Annual General Meeting held on 27 May 2019
2019 Convertible Bonds or 2019 CB	The convertible bonds in the aggregate outstanding principal amount of HK\$42,500,000 issued by the Company on 14 November 2019
2020 Convertible Bonds or 2020 CB	The convertible bonds in the aggregate outstanding principal amount of HK\$48,000,000 issued by the Company on 13 July 2020
2020 Placing	99,000,000 Shares issued under the general mandate by the Company on 17 September 2020
Annual General Meeting or AGM	The Company's annual general meeting
Articles of Association	The Company's Articles of Association as amended, supplemented or modified from time to time
Audit Committee	The audit committee of the Company
Board	The Board of Directors of the Company

CG Code	The Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
Chairman	Chairman of the Company
Companies Ordinance or CO	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Company	Asia Energy Logistics Group Limited
Condensed Consolidated Interim Financial Statements	The unaudited condensed consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2021
Director(s)	Director(s) of the Company
ED(s)	Executive Director(s) of the Company
Executive Committee	The executive committee of the Company
General Meeting or GM	The Company's general meeting
GIC	GIC Investment Limited, an indirect wholly owned subsidiary of GCL-Poly Energy Holdings Limited, a public company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (Stock Code: 3800)

## Glossary

GIC Convertible Bonds or GIC CB	The convertible bonds in the aggregate outstanding principal amount of HK\$100,000,000 issued by the Company to GIC on 2 March 2018
Group	The Company together with its subsidiaries
HKAS(s)	Hong Kong Accounting Standard(s)
HKFRS(s)	Hong Kong Financial Reporting Standard(s)
HKICPA	Hong Kong Institute of Certified Public Accountants
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
INED(s)	Independent Non-executive Director(s) of the Company
JV	Ocean Pro Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being held as to 50% by Ocean Jade Investments Limited, an indirect wholly owned subsidiary of the Company and as to 50% by Waibert Navigation Company Limited, an indirect wholly owned subsidiary of GNG Ocean Shipping Company Limited
JV Group	The JV and its subsidiaries
JV Shareholders	shareholders of the JV Company, being Ocean Jade Investments Limited and Waibert Navigation Company Limited

Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Main Board	The main board of the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
Network Access Licence	Network Access Licence for Telecommunications Equipment
Nomination Committee	The nomination committee of the Company
Oriental Solar	Oriental Solar Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Pang Yuet
PRC	The People's Republic of China
Remuneration Committee	The remuneration committee of the Company
RMB	Renminbi, the lawful currency of the PRC
SFC	The Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)



## Glossary

Share(s)	Ordinary share(s) of the Company
Shareholder(s)	Holder(s) of the Share(s)
Share Consolidation	The share consolidation on the basis that every five then issued Shares being consolidated into one consolidated Share, which was approved pursuant to an ordinary resolution passed at the General Meeting of the Company held on 15 August 2019 and became effective on 19 August 2019
SMS	Short Message Service
Stock Exchange	The Stock Exchange of Hong Kong Limited
Subscription	The subscription of the Subscription Shares and the Convertible Bonds by Oriental Solar 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 Oriental Solar in connection with the Subscription
Subscription Shares	A total of 1,100,000,000 new Shares issued and allotted to Oriental Solar on 13 July 2020 pursuant to the terms and conditions of the Subscription Agreement
US\$	United States dollars, the lawful currency of United States of America