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亞洲能源物流
ASIAENERGY
 Logistics

ASIA ENERGY LOGISTICS GROUP LIMITED

亞洲能源物流集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 351)

**ANNOUNCEMENT OF ANNUAL RESULTS
 FOR THE YEAR ENDED 31 DECEMBER 2023**

RESULTS

The board (the “Board”) of directors (the “Directors”) of Asia Energy Logistics Group Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023, together with the comparative figures for the previous corresponding year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	5	143,654	106,533
Cost of services		(90,813)	(87,725)
Gross profit		52,841	18,808
Other income	6	2,203	4,109
Staff costs	7(b)	(29,828)	(25,418)
Depreciation	7(c)	(7,088)	(5,436)
Legal and professional fees	7(c)	(6,497)	(5,162)
Motor vehicles expenses	7(c)	(2,769)	(2,694)
Research and development costs	7(c)	(259)	(7,418)
Office expenses		(1,770)	(1,064)
Other administrative and operating expenses		(8,558)	(7,955)
Change in fair value of financial assets at FVPL		18,752	(14,884)
Loss on disposal of financial assets at FVPL	7(c)	(2,097)	–
Amortisation of deferred day-one loss of the 2020 Convertible Bonds		(829)	(3,425)
Finance costs	7(a)	(2,969)	(8,360)

	<i>Note</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Profit (Loss) before tax	7	11,132	(58,899)
Income tax expense	8	<u>—</u>	<u>—</u>
Profit (Loss) for the year		<u>11,132</u>	<u>(58,899)</u>
Other comprehensive loss			
Exchange difference arising on translation of financial statements of foreign operations which may be reclassified subsequently to profit or loss		<u>(165)</u>	<u>(1,917)</u>
		<u>(165)</u>	<u>(1,917)</u>
Total comprehensive income (loss) for the year		<u>10,967</u>	<u>(60,816)</u>
Profit (Loss) for the year attributable to:			
– Owners of the Company		12,676	(56,664)
– Non-controlling interests		<u>(1,544)</u>	<u>(2,235)</u>
		<u>11,132</u>	<u>(58,899)</u>
Total comprehensive income (loss) attributable to:			
– Owners of the Company		12,540	(58,214)
– Non-controlling interests		<u>(1,573)</u>	<u>(2,602)</u>
		<u>10,967</u>	<u>(60,816)</u>
Earnings (Loss) per share			
Basic and diluted (<i>HK cents</i>)	10	<u>0.66</u>	<u>(3.34)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		136,506	142,546
Intangible asset		1,000	1,000
Right-of-use assets		9,180	6,847
Goodwill		1,026	1,026
		<u>147,712</u>	<u>151,419</u>
Current assets			
Trade and other receivables	<i>11</i>	22,302	18,889
Financial assets at FVPL		35,418	19,301
Bank balances and cash		14,517	18,087
		<u>72,237</u>	<u>56,277</u>
Current liabilities			
Trade and other payables	<i>12</i>	9,739	21,085
Amount due to the ultimate holding company		7,000	–
2020 Convertible Bonds		–	41,798
Lease liabilities		5,018	5,390
		<u>21,757</u>	<u>68,273</u>
Net current assets (liabilities)		<u>50,480</u>	<u>(11,996)</u>
Total assets less current liabilities		<u>198,192</u>	<u>139,423</u>
Non-current liabilities			
Lease liabilities		5,117	1,850
NET ASSETS		<u>193,075</u>	<u>137,573</u>
Capital and reserves			
Share capital	<i>13</i>	1,981,158	1,906,379
Reserves		(1,789,279)	(1,771,575)
Equity attributable to owners of the Company		<u>191,879</u>	<u>134,804</u>
Non-controlling interests		<u>1,196</u>	<u>2,769</u>
TOTAL EQUITY		<u>193,075</u>	<u>137,573</u>

NOTES

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 its principal place of business is located at Suite 802-803, 8/F, One Pacific Place, 88 Queensway, Hong Kong. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The immediate and ultimate holding company of the Company is Oriental Solar Group Limited (“Oriental Solar”), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Pang Yuet.

The Company and its subsidiaries are herein collectively referred to as the “Group”.

The financial information relating to the years ended 31 December 2023 and 2022 included in this preliminary announcement of annual results for the year ended 31 December 2023 does not constitute the Company’s statutory financial statements for those years but is derived therefrom. Further information relating to the statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“Hong Kong Companies Ordinance”) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2023 in due course.

The Company’s auditor has reported on the consolidated financial statements of the Company for the years ended 31 December 2023 and 2022.

In respect of the year ended 31 December 2023, 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.

In respect of the year ended 31 December 2022, the auditor’s report:

- was not qualified or otherwise modified;
- referred to a 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.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These consolidated financial statements are presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand unless otherwise indicated.

3. ADOPTION OF NEW/REVISED HKFRSs

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year:

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Amendments to HKAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements.

Amendments to HKAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 12: Income Taxes

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

4. 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:

(a) Telecommunications related business

(b) Shipping and logistics

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

Year ended 31 December 2023	Telecommunications related business <i>HK\$'000</i>	Shipping and logistics <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue from external customers	<u>44,982</u>	<u>98,672</u>	<u>143,654</u>
Segment (loss) profit	<u>(3,158)</u>	<u>19,564</u>	16,406
Unallocated income			189
Change in fair value of financial assets at FVPL			18,752
Loss on disposal of financial assets at FVPL			(2,097)
Other unallocated corporate expenses			<u>(22,118)</u>
Profit for the year			<u>11,132</u>
Other segment information:			
Depreciation of property, plant and equipment <i>(note (a))</i>	(58)	(8,858)	(8,916)
Depreciation of right-of-use assets <i>(note (b))</i>	(1,845)	(2,081)	(3,926)
Finance costs <i>(note (c))</i>	(82)	(106)	(188)
Additions of property, plant and equipment	<u>43</u>	<u>–</u>	<u>43</u>

Year ended 31 December 2022	Telecommunications related business HK\$'000	Shipping and logistics HK\$'000	Total HK\$'000
Segment revenue from external customers	38,966	67,567	106,533
Segment loss	(14,633)	(2,454)	(17,087)
Unallocated income			253
Change in fair value of financial assets at FVPL			(14,884)
Other unallocated corporate expenses			(27,181)
Loss for the year			(58,899)
Other segment information:			
Depreciation of property, plant and equipment <i>(note (a))</i>	(36)	(11,292)	(11,328)
Depreciation of right-of-use assets <i>(note (b))</i>	(1,936)	(1,502)	(3,438)
Finance costs <i>(note (c))</i>	(175)	(130)	(305)
Additions of property, plant and equipment	135	–	135

Note:

- (a) Depreciation of property, plant and equipment excluded from the measure of segment results during the years ended 31 December 2023 and 2022 amounted to approximately HK\$454,000 and HK\$Nil respectively.
- (b) Depreciation of right-of-use assets excluded from the measure of segment results during the years ended 31 December 2023 and 2022 amounted to approximately HK\$2,650,000 and HK\$1,743,000 respectively.
- (c) Finance costs excluded from the measure of segment results during the years ended 31 December 2023 and 2022 amounted to approximately HK\$2,781,000 and HK\$8,055,000 respectively.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Assets		
Shipping and logistics	155,684	156,702
Telecommunications related business	<u>13,236</u>	<u>21,750</u>
Segment assets	168,920	178,452
Unallocated corporate assets	<u>51,029</u>	<u>29,244</u>
Consolidated total assets	<u><u>219,949</u></u>	<u><u>207,696</u></u>
Liabilities		
Shipping and logistics	5,588	10,623
Telecommunications related business	<u>2,343</u>	<u>6,609</u>
Segment liabilities	7,931	17,232
2020 Convertible Bonds	–	41,798
Other unallocated corporate liabilities	<u>18,943</u>	<u>11,093</u>
Consolidated total liabilities	<u><u>26,874</u></u>	<u><u>70,123</u></u>

Geographical information

As at 31 December 2023, apart from the vessels and goodwill, approximately HK\$12,555,000 (2022: HK\$5,524,000) and HK\$569,000 (2022: HK\$2,450,000) 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.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
The PRC	<u><u>44,982</u></u>	<u><u>38,966</u></u>

Information about major customers

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A (Shipping and logistics segment)	98,672	67,567
Customer B (Telecommunications related business)	<u>23,224</u>	<u>13,013</u>

5. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>Operating lease income</i>		
Charter-hire income	98,672	67,567
<i>Revenue from contract with customers within HKFRS 15</i>		
Telecommunications service income	<u>44,982</u>	<u>38,966</u>
	<u><u>143,654</u></u>	<u><u>106,533</u></u>

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

6. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	276	60
Claims from insurance company	169	2,120
Exchange gain, net	194	78
Other subsidy income	556	–
Recharge of expenses to charter parties	493	431
Subsidy income under Employment Support Scheme	–	552
Sundry income	<u>515</u>	<u>868</u>
	<u><u>2,203</u></u>	<u><u>4,109</u></u>

7. PROFIT (LOSS) BEFORE TAX

This is stated after charging (crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(a) Finance costs:		
Interest on other borrowings	573	535
Interest on the 2019 Convertible Bonds	–	78
Interest on the 2020 Convertible Bonds	1,908	7,171
Interest on lease liabilities	488	576
	<u>2,969</u>	<u>8,360</u>
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(b) Staff costs (including directors' remuneration):		
Employee benefits expense	28,449	23,865
Contributions to defined contribution plans	1,379	1,553
	<u>29,828</u>	<u>25,418</u>
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(c) Other items:		
Auditor's remuneration		
Annual audit	1,200	1,100
Non-annual audit	630	160
Cost of services (<i>note</i>)	90,813	87,725
Depreciation of property, plant and equipment	9,370	11,328
Depreciation of right-of-use assets	6,576	5,181
Exchange gain, net	(194)	(78)
Legal and professional fees	6,497	5,162
Loss on disposal of financial assets at FVPL	2,097	–
Motor vehicles expenses	2,769	2,694
Research and development costs	259	7,418

Note: Cost of services includes depreciation of property, plant and equipment of approximately HK\$8,858,000 (2022: HK\$11,073,000) which amount is also included in the respective total amount disclosed separately in “depreciation of property, plant and equipment”.

8. TAXATION

Hong Kong Profits Tax, if any, is calculated at 16.5% (2022: 16.5%) on the estimated assessable profits for the year. The PRC enterprise income is provided at the rate of 25% (2022: 25%) 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 years ended 31 December 2023 and 2022.

9. DIVIDENDS

The directors do not recommend the payment of any dividend for the years ended 31 December 2023 and 2022.

10. EARNINGS (LOSS) PER SHARE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit (Loss) attributable to owners of the Company	<u>12,676</u>	<u>(56,664)</u>
	2023	2022
Weighted average number of ordinary shares for basic and diluted earnings (loss) per share	<u>1,924,290,312</u>	<u>1,694,975,244</u>
Earnings (Loss) per share Basic and diluted (<i>HK cents</i>)	<u>0.66</u>	<u>(3.34)</u>

Diluted earnings (loss) per share for the years ended 31 December 2023 and 2022 is same as the basic earnings (loss) per share. The calculation of diluted earnings (loss) per share for the years ended 31 December 2023 and 2022 does not assume the conversion of the Company's outstanding convertible instruments since the conversion would result an anti-dilutive effect on the basic earnings (loss) per share.

11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables			
Lease income receivable	<i>11(a)</i>	–	47
Service income receivables		<u>2,921</u>	<u>9,729</u>
		<u>2,921</u>	<u>9,776</u>
Other receivables			
Other debtors	<i>11(b)</i>	6,928	7,113
Deposits		1,719	2,174
Deposit for vessel operation	<i>11(c)</i>	12,529	2,210
Prepayments		<u>1,207</u>	<u>618</u>
		22,383	12,115
Less:			
Loss allowance on other receivables		<u>(3,002)</u>	<u>(3,002)</u>
		<u>19,381</u>	<u>9,113</u>
		<u><u>22,302</u></u>	<u><u>18,889</u></u>

11(a) Trade receivables

As at 31 December 2023, all trade receivables aged within 30 to 90 days (2022: 30 to 90 days), based on the invoice date.

11(b) Other debtors

As at 31 December 2023, a balance of HK\$1,237,000 (2022: HK\$1,122,000) carries interest at interest rate of 10% per annum, is unsecured and repayable in April 2024 (2022: carries interest at interest rate of 10% per annum, is unsecured and repayable in April 2023) and the remaining balances are interest-free, unsecured and repayable on demand.

11(c) Deposit for vessel operation

The amount represents the monies deposited in designated bank accounts of a vessel management company for daily operating use. The Group is the beneficiaries of these designated bank accounts. The balance is unsecured, repayable on demand and bearing interest at floating daily bank deposit rates.

12. TRADE AND OTHER PAYABLES

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	<i>12(a)</i>	<u>2,409</u>	<u>3,812</u>
Other payables			
Accruals and other payables		3,774	4,945
Receipts in advance		1,624	4,131
Other borrowings from a regulated securities broker	<i>12(b)</i>	<u>1,932</u>	<u>8,197</u>
		<u>7,330</u>	<u>17,273</u>
		<u>9,739</u>	<u>21,085</u>

12(a) Trade payables

The credit period of trade payables is normally within 90 days (2022: 90 days). As at 31 December 2023 and 2022, all trade payables was aged within 30 days, based on the invoice date.

12(b) Other borrowings from a regulated securities broker

As at 31 December 2023, the other borrowings from a regulated securities broker are secured by securities listed in Hong Kong of HK\$35,418,000 and repayable on demand, bear interest at rate of 10% per annum (2022: secured by securities listed in Hong Kong of HK\$19,301,000 and repayable on demand, bear interest at rate of 10% per annum).

13. SHARE CAPITAL

	2023		2022	
	Number of shares	<i>HK\$'000</i>	Number of shares	<i>HK\$'000</i>
Issued and fully paid:				
At beginning of the year	1,694,975,244	1,906,379	1,694,975,244	1,906,379
Conversion of the 2020 Convertible Bonds	<u>300,000,000</u>	<u>74,779</u>	—	—
At end of the year	<u>1,994,975,244</u>	<u>1,981,158</u>	<u>1,694,975,244</u>	<u>1,906,379</u>

BUSINESS REVIEW

During the year under review, the Group was principally engaged in the (i) shipping and logistics business and (ii) telecommunications related business in The People's Republic of China (the "PRC").

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 (2022: about 64,000 DWT).

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

The Group entered into charter contracts with the charterer at a new charter rate which is significantly higher than the previous rate and the charter contracts have become effective since August 2022.

For the year under review, the Group recorded a revenue of approximately HK\$98,672,000 (2022: approximately HK\$67,567,000), representing an increase of approximately 46% as compared to the corresponding period of 2022. The gross profit was approximately HK\$47,669,000 (2022: approximately HK\$16,251,000), representing an increase of approximately 193% as compared to the same period of 2022. The increase in revenue and gross profit was mainly contributed by (i) the increase in charter rate of the vessels as aforementioned and (ii) the operating costs of the vessels have been resumed to normal level when the COVID-19 pandemic come under control.

Telecommunications Related Business

The telecommunications related business of the Group are mainly provision of SMS services and 5G communication network solution. For the year under review, the Group recorded a revenue of approximately HK\$44,982,000 (2022: approximately HK\$38,966,000), representing an increase of approximately 15% as compared to the corresponding period of 2022. The increase in revenue was mainly benefited from the 5G communication network solution business.

The gross profit was approximately HK\$5,172,000 (2022: approximately HK\$2,557,000), representing an increase of approximately 102% as compared to the corresponding period of 2022. The increase in gross profit was mainly due to the higher gross profit margin contributed by 5G communication network solution business.

PROSPECTS

Shipping and Logistics

2024 will be a challenging year for shipping industry. The main risks include the potential for weaker-than-expected global economic growth and geopolitical developments causing adverse dislocations. Red Sea crisis and the war in Ukraine have been the important drivers for dry bulk chartering business. Along with any other disruption that may affect trade flows, the war could continue to be a major driver into 2024.

The existing charter contracts will expire in mid-2024, the management of the Company expects the new charter rate will be lower than the existing rate. The Company will be in close watch of the market conditions.

Telecommunications Related Business

With the end of the COVID-19 pandemic, China's economy has gradually recovered, however, it has adversely affected by factors such as declining exports, sluggish investment, and delayed recovery in domestic consumption, as well as the continued intensification of the real estate crisis, which have led a decline in business confidence among Chinese enterprises and a low consumer confidence, resulting in a continued slowdown in China's economic recovery. Facing the coexistence of business opportunities, risks and challenges, and increasing uncertainties and unpredictable factors, it is expected that the overall business environment in China will remain severe in 2024, posing more obstacles to the Group's telecommunications related business. The Company will be careful in promoting its business development.

The Directors will continuously look for suitable investments opportunities which will bring in synergy with and positive contributions to the existing businesses.

FINANCIAL REVIEW

For the year under review, the revenue of the Group was approximately HK\$143,654,000 (2022: approximately HK\$106,533,000), representing an increase of approximately 35% as compared to 2022. The increase in revenue was mainly contributed by the renewal of charter contracts of the vessels at higher charter rates and growth in the revenue of 5G communication network solution business.

The Group recorded a profit for the year under review of approximately HK\$11,132,000 (2022: loss of approximately HK\$58,899,000) representing an increase of approximately 119% as compared to 2022. The increase in profit was mainly attributable to (i) the growth of the revenue and gross profit of shipping and logistics business, which is disclosed in the section headed "Business Review", and (ii) the change in fair value of financial assets at fair value through profit or loss.

For the year under review, the basic and diluted earnings per share was HK0.66 cents (2022: loss per share of HK3.34 cents).

Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2023, the Group had:

1. Cash and bank balances of approximately HK\$14,517,000 (2022: approximately HK\$18,087,000);
2. Non-bank borrowings representing convertible bonds having an aggregate carrying amounts of approximately HK\$Nil (2022: approximately HK\$41,798,000) and other borrowings from a regulated securities broker of approximately HK\$1,932,000 (2022: approximately HK\$8,197,000);
3. Total equity attributable to owners of the Company of approximately HK\$191,879,000 (2022: approximately HK\$134,804,000);
4. Net current assets of approximately HK\$50,480,000 (2022: net current liabilities of approximately HK\$11,996,000);
5. Current ratio (being current assets over current liabilities) of approximately 332% (2022: approximately 82%); and
6. Gearing ratio (being total debt divided by total equity) of approximately 14% (2022: approximately 51%).

Share Capital

As at 31 December 2023, there were 1,994,975,244 shares in issue (2022: 1,694,975,244 shares).

Capital Commitments

As at 31 December 2023, the Group had no capital commitment (2022: Nil).

Exposure to Fluctuation in Exchange Rates

The Group's assets, liabilities and transactions are mainly denominated either in US dollar, Hong Kong dollar or Renminbi. As the exchange rate of the US dollar to Hong Kong dollar is relatively stable due to the Hong Kong dollar is pegged to the US dollar, the Directors consider that the Group's currency exchange risk is within the acceptable range. Therefore, no hedging devices or other alternatives have been implemented.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the best of knowledge of the Directors, the percentage of the shares in the public's hands exceeded 25% throughout the year as required under the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance practices and procedures to safeguard the interests of the shareholders and enhance the performance of the Group. The Company has adopted and applied the principles as set out in the Corporate Governance Code, Appendix C1 to the Listing Rule (the "CG Code").

During the year ended 31 December 2023, the Company complied with the applicable CG Code and principles, save for the deviations specified and explained below.

Code Provision C.2.1

The post of chief executive of the Company has remained vacant since March 2009. The duties of chief executive had been performed by other executive directors. 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. Nevertheless, the Board will review the current structure 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.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") as the Company's code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry, all Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2023.

DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2023 (2022: Nil).

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statements of comprehensive income and financial position and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Company's draft consolidated financial statements for the year ended 31 December 2023. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on this announcement.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process, the risk management policies and internal control system of the Group. The audit committee currently comprises three independent non-executive directors of the Company, namely, Mr. Ng Kwun Wan, Mr. Wong Cheuk Bun and Mr. Hon Ming Sang.

The consolidated financial statements of the Group for the year ended 31 December 2023 have been reviewed by the audit committee.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "AGM") will be held on 31 May 2024. Details of the AGM are set out in the notice of the AGM which constitutes part of the circular is to be sent to the Company's shareholders together with the annual report. Notice of the AGM and the proxy form will also be available on websites of both The Stock Exchange of Hong Kong Limited and the Company.

For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 27 May 2024 to Friday, 31 May 2024 (both days inclusive), during which the period no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 24 May 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.aelg.com.hk>). The annual report of the Company for the year ended 31 December 2023 will be despatched to the shareholders and made available for review on the same websites in due course.

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

Hong Kong, 15 March 2024

As at the date of this announcement, the executive directors of the Company are Mr. Pang Yuet (Chairman), Mr. Sun Peng and Mr. Hui Wai; and the independent non-executive directors of the Company are Mr. Ng Kwun Wan, Mr. Wong Cheuk Bun and Mr. Hon Ming Sang.