
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Energy Logistics Group Limited (the “Company”), you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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ASIA ENERGY LOGISTICS GROUP LIMITED

亞洲能源物流集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 351)

**VERY SUBSTANTIAL DISPOSAL IN
RELATION TO THE DISPOSAL OF VESSEL
AND
NOTICE OF GENERAL MEETING**

A notice convening the General Meeting of the Company to be held at Suite 802-803, 8/F, One Pacific Place, 88 Queensway, Hong Kong on Friday, 5 July 2024 at 11:00 a.m. (the “**General Meeting**”) or any adjournment thereof is set out on pages N-1 to N-2 of this circular.

A proxy form for the General Meeting is enclosed herewith and published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.aelg.com.hk). Whether or not you propose to attend the General Meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding of the General Meeting (i.e. 11:00 a.m. on Wednesday, 3 July 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof (as the case may be) should you so wish.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

14 June 2024

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Banking Days”	days on which banks are open in Greece, Singapore, Germany, Hong Kong, United Kingdom, United States of America and United Arab Emirates
“Board”	the board of the Directors
“Clipper Selo”	a dry bulk carrier of 32,500 DWT with the same year of built and identical specification as the Vessel, and being the remaining dry bulk carrier of the Remaining Group
“Company”	Asia Energy Logistics Group Limited (亞洲能源物流集團有限公司), a limited liability company incorporated in Hong Kong whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal
“Consideration”	a total consideration of US\$9,500,000 (approximately HK\$74,100,000) payable by the Purchaser to the Vendor pursuant to the terms of the MOA
“Deposit”	a deposit of 10% of the Consideration
“Deposit Holder”	means Hill Dickinson LLP, an independent third party to each of the Company, the Vendor and the Purchaser, which shall hold and release the Deposit in accordance with the MOA
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Vessel subject to the terms of and conditions of the MOA
“DWT”	deadweight tonnage, the measurement of how much weight a vessel can carry
“EUR”	Euro, the lawful currency of the European Union
“General Meeting” or “GM”	a general meeting of the Company to be held and convened on Friday, 5 July 2024 at 11:00 a.m. at Suite 802-803, 8/F, One Pacific Place, 88 Queensway, Hong Kong, to approve the MOA and the transactions contemplated thereunder
“GM Notice”	the notice convening the General Meeting

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Independent Valuer” or “Hartland”	Hartland Shipping Services Limited, an independent valuer
“Jiangmen Nanyang”	Jiangmen Nanyang Ship Engineering Co., Ltd., a shipyard based in the PRC
“Jiangsu Eastern”	Jiangsu Eastern Heavy Industry Co., Ltd, a shipyard based in the PRC
“Latest Practicable Date”	11 June 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“MOA”	the memorandum of agreement dated 23 May 2024 entered into between the Vendor and the Purchaser in respect of the Disposal
“Parties”	the Vendor and the Purchaser, being the parties to the MOA
“Purchaser”	Niriis Shipping S.A., a company incorporated in the Republic of Panama or its guaranteed nominees
“PRC”	People’s Republic of China
“Remaining Group”	the Group after the Completion
“RMB”	Renminbi, the lawful currency of The People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the register holder(s) of the Shares

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SMS”	short messaging services
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Valuation”	the valuation of the Vessel as at 17 May 2024 conducted by the Independent Valuer
“Vendor”	Lotus Gold Shipping Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Vessel” or “Clipper Panorama”	Clipper Panorama, a bulk carrier vessel with Hong Kong flag, further particulars of which are set out in the paragraph headed “The Disposal and the MOA – Subject matter of the Disposal” below in this circular
“%”	Per-cent

The exchange rate used for reference purpose in this circular is US\$1.0 to HK\$7.8.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Pang Yuet (*Chairman*)

Mr. Sun Peng

Mr. Hui Wai

Registered office:

Suite 802-803, 8/F

One Pacific Place

88 Queensway

Hong Kong

Independent Non-Executive Directors:

Mr. Ng Kwun Wan

Mr. Wong Cheuk Bun

Mr. Hon Ming Sang

14 June 2024

To the Shareholders

Dear Sir/Madam,

**VERY SUBSTANTIAL DISPOSAL IN RELATION
TO THE DISPOSAL OF VESSEL
AND
NOTICE OF GENERAL MEETING**

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 23 May 2024, in which it was announced that the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the MOA with the Purchaser on 23 May 2024 (after trading hours) to dispose of the Vessel at the Consideration of US\$9,500,000 (equivalent to HK\$74,100,000).

The purpose of this circular is to provide you with, among other things, further details in relation to the Disposal; (ii) the financial information and valuation in respect of the Vessel; (iii) the pro forma financial information of the Remaining Group; (iv) the GM Notice; and (iv) other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE DISPOSAL AND THE MOA

On 23 May 2024 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the MOA pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Vessel at the Consideration of US\$9,500,000 (equivalent to HK\$74,100,000) according to the terms and conditions set out therein.

The principal terms of the MOA are set forth below:

Date:

23 May 2024

Parties:

- (i) The Vendor; and
- (ii) The Purchaser

Subject matter of the Disposal:

Pursuant to the MOA, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Vessel named “Clipper Panorama” with the following particulars:

- (1) Flag: Hong Kong
- (2) Place of registration: Hong Kong
- (3) Ship Identification Number: IMO 9598995
- (4) Year built: 2011
- (5) DWT: 32,500
- (6) Shipyard: Jiangmen Nanyang

Consideration and payment terms

The Consideration payable by the Purchaser pursuant to the MOA is US\$9,500,000 (approximately HK\$74,100,000) and shall be payable by the Purchaser to the Vendor in the following manner:

- (i) The Deposit (equivalent to 10% of the Consideration) shall be lodged in an interest-bearing escrow account for the Parties with the Deposit Holder within three Banking Days after the date that (a) the MOA has been signed and exchanged by the Parties; and (b) the Deposit Holder has confirmed in writing to the parties that the escrow account has been opened and is ready to receive the funds; and

LETTER FROM THE BOARD

- (ii) the Deposit, together with the 90% balance of the Consideration together with all other sums for the remaining bunkers and unused lubricating and hydraulic oil and greases as further stipulated in the paragraph headed “Delivery” below, shall be released in full free of bank charges to the Deposit Holder for further payment to the Vendor’s bank account, but not later than (a) three Banking Days after the Vessel is in every respect ready and a notice of readiness has been given in exchange of signed protocol of delivery and acceptance signed by both Parties’ authorised representatives and all other documents the Parties have agreed; and (b) one Banking day prior to the agreed date of the Vessel’s delivery.

The Consideration of the Vessel was determined:

- (i) by reference to the market value of the Vessel, being US\$9.5 million, based on the Valuation performed by a reputable independent ship broker with leading positions in the industry, Hartland, which has over 40 years of experience and their valuations are widely recognised by banks. Further details in respect of the Valuation are set out in the paragraphs below as well as the valuation certificate as set out in Appendix III to this circular;
- (ii) by reference to the recently concluded sale and purchase transactions of second hand vessels of comparable type, size, condition of maintenance and year of build conducted in the market. The Company has obtained and reviewed a recent sales report provided by an international ship broker basing in London, and selected market comparables based on the criteria that (a) the relevant transactions occurred within 2 months prior to the date of the MOA; (b) year of build of the relevant vessels within the range of 2008 to 2014 (being three years younger or older than the Vessel which was built in 2011); and (c) DWT of the relevant vessels ranging from approximately 30,000 to 35,000 DWT (similar to that of the Vessel with 32,500 DWT). Further details of the exhaustive list of the selected market comparables are set out below:

	Transaction Period	Vessel	DWT (rounded to nearest hundred)	Year built	Price (USD)
1.	March 2024	Vessel A	32,700	2010	10.2 million
2.	March 2024	Vessel B	32,700	2009	10.4 million
3.	March 2024	Vessel C	33,300	2011	10.9 million

- (iii) based on the above market comparables, the management further made downward adjustment to the Consideration taking into account (a) the expected major overhaul costs which shall be borne by the Purchaser, further details of which are set out in the paragraphs headed “Reasons for and benefits of the Disposal”; (b) the expected loss of income of the Purchaser during the drydock period of the Vessel for the major overhaul, which is expected to last for at least 25 days; (c) the prolonged time of delivery to the Purchaser catering for the time required to obtain the required Shareholders’ approval; and (d) the location of delivery, which as at the Latest Practicable Date, is expected to be in Far East region, where lower prevailing market charter rate is generally observed as compared to that of the Atlantic region; and

LETTER FROM THE BOARD

(iv) after arm's length negotiations between the Parties on normal commercial terms.

Based on the above, the Directors consider that the Consideration in respect of the Disposal is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

In respect of the valuation of the Vessel, the Company obtained a formal valuation certificate from the Independent Valuer and has reviewed the valuation certificate and discussed with the Independent Valuer about the valuation approach and methodology adopted in the valuation of the Vessel. The management of the Group has also discussed with the Independent Valuer the market comparables they have selected, and the Independent Valuer concurred with the management's selections criteria set out in the above paragraphs. As advised by the Independent Valuer, the market approach has been adopted in the valuation of the Vessel. Market approach is the most commonly known valuation approach and is the most simple and direct method to adopt for transactions in relation to the disposal and acquisition of vessel, as market comparables are generally available and there is sufficient information to show the price levels that potential buyers and sellers are willing to pay and accept in the shipping industry. Market approach has been adopted for this transaction under the assumption that the Vessel is being sold in its existing states, in good working order and sound seaworthy condition as can be expected for a vessel of the size, type and classification of the Vessel, the Vessel is free from all classification society recommendations and freely transferable, and that the Purchaser will proceed directly to drydocking upon delivery without prior inspection, and referenced was then made to recently concluded sale transactions that are comparable in the relevant market. The Independent Valuer had also made reference to their own internal database and took into consideration market comparables (on top of the market comparables considered also by the Group) based on the following criteria: (a) vessels with comparable age of 13 years to 15 years; (b) size of 30,000 DWT to 38,000 DWT; and (c) reputation of shipbuilders (primarily determined basing on the history and quality of vessels built), and appropriately adjusted, as further set out below, in order to arrive the fair value of the Vessel. Set out below are the details of the exhaustive list of selected market comparables (on top of the market comparables considered also by the Group):

Transaction Period	Vessel	DWT (rounded to nearest thousand)	Shipyard	Year of built	Price (USD)
1. April 2024	Vessel D	38,000	Jiangsu Eastern	2009	10 million
2. April 2024	Vessel E	38,000	Jiangsu Eastern	2010	10.8 million
3. April 2024	Vessel F	33,000	Jiangmen Nanyang	2010	10.2 million

In arriving at the Valuation, the Independent Valuer has considered factors including (i) the quality and reputation of the shipbuilder and the design of the Vessel; (ii) the country where the Vessel was built; (iii) the recent market activities including comparison with recent vessel sales by age, size and/or quality of shipyard; (iv) the prices of similar vessels (in terms of size and age) which are for sale but unsold; and as adjusted by (i) the prolonged delivery period of the Vessel due to the time required for the Company to satisfy the condition precedent under the MOA; (ii) the condition of the Vessel and (iii) the fact that the Purchaser will proceed to the drydocking of the Vessel right upon delivery had also been taken into consideration.

LETTER FROM THE BOARD

As an experienced market participant in the shipping industry, the Group has also continuously observed and monitored the sale and purchase market of vessels, including recent sales and purchase of similar vessels. During the course of the Board's review of the Valuation, the Board discussed with the internal shipping expert of the Group who has over 30 years of experience in the industry, and referenced to and relied on the market intelligence from time to time gathered by the Group on the shipping market, and based on the above, the Board considers the aforementioned valuation approach and methodology adopted in respect of the valuation of the Vessel to be in line with industry norm and market practice and are appropriate.

Delivery

The Vessel is to be delivered between 10 July 2024 and 30 July 2024 upon serving to the Purchaser of a notice of readiness (i.e. a notice in written form to be given by the Vendor to the Purchaser when the Vessel, and the delivery documents, including, among others, documents required for the Purchaser for their registration of the Vessel under their ownership and flag, are physically ready for delivery) by the Vendor.

The Purchaser shall also take over remaining bunkers and unused lubricating and hydraulic oils and greases in unbroached/sealed storage tins or in dedicated storage tanks and unopened/unbroached drums, the quantities of which are to be confirmed on the date of physical delivery of the Vessel, and the Purchaser shall pay the actual net/purchase price (always excluding barging expenses but including discounts) as evidenced by relevant suppliers invoices or vouchers.

The Vendor may not tender the notice of readiness prior to the completion of the underwater inspection and/or drydocking (if required) in accordance with the terms of the MOA, and the Buyer shall have the option of cancelling the MOA should the Vendor fail to give the notice of readiness on or before 30 July 2024 (the "**Cancelling Date**"), or the parties may agree on a new delivery date in accordance with the MOA.

Save as disclosed in the paragraph headed "Cancellation and compensation" below, there is no additional break-up costs should the Company fail to provide the notice of readiness on or before the Cancelling Date.

Cancellation and compensation

Cancellation by the Vendor

Should the Deposit not be lodged by the Purchaser in accordance with the terms and conditions of the MOA, the Vendor has the right to cancel the MOA and the Vendor shall be entitled to claim compensation for its losses and for all expenses incurred together with interest.

Should the remaining balance of the Consideration not be paid in accordance with the terms and conditions of the MOA, the Vendor has the right to cancel the MOA, in which case the Deposit together with interest earned, if any, shall be released to the Vendor. If the Deposit does not cover the loss of the Vendor, the Vendor shall be entitled to claim further compensation for their losses and for all expenses incurred together with interest.

LETTER FROM THE BOARD

Cancellation by the Purchaser

If the Vendor anticipates that, notwithstanding the exercise of due diligence by them, the Vessel will not be ready for delivery by the Cancelling Date, it may notify the Purchaser in writing stating the date when the Vendor anticipates that the Vessel will be ready for delivery and proposing a new cancelling date. Upon receipt of such notification the Purchaser shall have the option of either (1) cancelling the MOA in accordance with its terms and conditions within three Banking Days of receipt of the notice; or (2) accepting the new date as the new cancelling date. If the Purchaser has not declared its option within three Banking Days of receipt of the Vendor's notification or if the Purchaser accepts the new date, the date proposed in the Vendor's notification shall be deemed to be the new cancelling date, substituting the original Cancelling Date.

The Purchaser may also at its option to cancel the MOA if the Vendor fails to (1) give a notice of readiness in accordance to the terms and conditions of the MOA; or (2) be ready to validly complete a legal transfer by the Cancelling Date. Under such circumstances, the Vendor shall make due compensation to the Purchaser for its loss and for all expenses together with interest if the Vendor's failure is due to proven negligence and whether or not the Purchaser cancels the MOA.

The Purchaser may also at its option to cancel the MOA if after a notice of readiness has been given but before the Purchaser has taken delivery, the Vessel ceases to be physically ready for delivery and is not made physically ready again by the Cancelling Date and a new notice of readiness is given.

Condition Precedent

The Disposal is only conditional upon the Company having obtained the requisite Shareholders' approval in respect of the MOA and the transactions contemplated thereunder in the GM in accordance with the Listing Rules within 45 days (or such longer period as agreed by the parties in writing) from the day of signing of the MOA. The aforementioned condition precedent is not waivable.

INFORMATION ON THE VESSEL

The Vessel has been owned by the Group since April 2018, and its audited net carrying value as at 31 December 2023 was approximately HK\$67,435,000. The financial information attributable to the Vessel for each of the two financial years ended 31 December 2022 and 31 December 2023 are set out below:

	For the year ended 31 December	
	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	33,811	49,026
Net profit (loss) before taxation	(1,022)	10,338
Net profit (loss) after taxation	(1,022)	10,338

LETTER FROM THE BOARD

INFORMATION ON THE GROUP AND THE PURCHASER

The Company is an investment holding company and its subsidiaries are principally engaged in shipping and logistics business and telecommunications related business. The Vendor is an indirect wholly-owned subsidiary of the Company principally engaged in shipping and logistics business.

The Purchaser is a company incorporated in the Republic of Panama and is principally engaged in vessels owning and ship management. It is ultimately owned by Mr. Ioannis Zouzias. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Vessel was built in 2011 and has been in operation for over 13 years. According to the recent advice from the shipping management company engaged by the Group, the costs of the next major overhaul of the Vessel, which shall be completed by August 2024 for the purpose of the renewal of the class certificate, would be substantial. The steps and procedures of the major overhaul of the Vessel include, but not limited to, the drydocking of the Vessel for complete checking, hull cleaning, repainting, machineries repairing, electronic equipment upgrading, water tightness testing for hatch covers and steel plates replacement. Major overhaul is required to be performed once every three years, with the same standard scope, subject to minor adjustments depending on the actual condition of the Vessel, in accordance with the relevant maritime regulations. Such major overhaul is yet to commence as at the Latest Practicable Date as it is expected that the Purchaser shall be responsible for such arrangement upon Completion. Other than the costs of the next major overhaul, it is also expected there to be continued escalation in the maintenance costs due to the age of the Vessel, as well as the aging of the machineries on the Vessel which are reaching their life limits.

Furthermore, during the past financial year, the Company had incidentally managed to secure charter contract with a high charter rate, contributing to the increase in profit generated by the Vessel during FY2023, however, such charter contract will be expiring in July 2024. As set out in the annual report of the Company for FY2023, given the expected market conditions and the weaker-than-expected global economic growth and geopolitical developments causing adverse dislocations, the management of the Company expects that the new charter rate will be in line with the prevailing market charter rate and be much lower than the existing rate under the current charter contract, and therefore the profitability of the Vessel is expected to decrease significantly.

Taking into consideration (i) the costs of the major overhaul which, basing on the costs of the major overhaul conducted in January 2024 in respect of Clipper Selo, is expected to increase significantly by approximately 138.8% as compared to the costs of the major overhaul conducted on the Vessel in 2021 under the same scope; (ii) the expected increase in maintenance costs due to the aging of the Vessel; and (iii) the expected decrease in revenue and profit to be generated by the Vessel as it is expected that the upcoming charter contract will be in line with the market rate and be much lower than the previous charter rate, the Directors consider that the costs of the major overhaul to be substantial to the Group and believe that the Disposal represents a good opportunity for the Group to realise the value of the Vessel. The

LETTER FROM THE BOARD

proceeds from the Disposal can be used as funds for the Group to acquire another vessel as replacement, should appropriate opportunity arises, and for the purposes as set out in the paragraph headed “Use of Proceeds” below.

As at the Latest Practicable Date, the Group operates a fleet of two dry bulk carriers trading worldwide. Upon Completion, it is expected that the Group shall continue to operate its shipping and logistics business through its remaining dry bulk carrier, and if suitable opportunity arises, a younger vessel of similar size of the Vessel to be acquired by the Group. The Group has no intention, understanding, negotiation and arrangement (concluded or otherwise) to downsize, cease or dispose of its existing business. Considering that subsequent to the Disposal the Group will still operate Clipper Selo, our Directors believe that the Disposal will not have any material adverse effect on the operations of the Group and will enable the Group to enhance its working capital position and further strengthen its liquidity, through ongoing management of its assets.

The terms and conditions of the MOA were determined after arm’s length negotiations between the Vendor and the Purchaser and were on normal commercial terms. Based on the Valuation and for the reasons set out above, the Directors consider that the terms of the MOA are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

No Director has a material interest in the Disposal and was required to abstain from voting on the Board resolutions approving the Disposal.

FINANCIAL EFFECT OF THE DISPOSAL

As at 31 December 2023, the audited net carrying value of the Vessel was approximately HK\$67,435,000. As a result of the Disposal, it is estimated that the Group will realise a gain on disposal of asset of approximately HK\$1,565,000. The actual gain which the Group would realise upon Completion will depend on the net carrying value of the Vessel as at date of delivery in accordance with the Group’s impairment and depreciation policy for its vessels as shown in the Company’s annual report and the actual costs of Disposal incurred as at the date of delivery in accordance with the MOA, and is also subject to audit that such gain will be reflected in the consolidated profit or loss account of the Group for the financial year in which the Disposal takes place.

USE OF PROCEEDS

The net proceeds from the Disposal after deducting relevant expenses (including professional fees and commissions) are estimated to be approximately US\$8,846,154 (approximately HK\$69,000,000), which is intended to be utilised as to (i) approximately HK\$45.0 million for the acquisition of a new vessel in replacement of the Vessel should appropriate opportunity arises and/or for funding other existing business developments; (ii) approximately HK\$13.5 million for repayment of certain outstanding payables which is expected to be utilised by December 2024; (iii) approximately HK\$4.0 million for outstanding drydock cost of Clipper Selo, which is expected to be utilised by December 2024; and, (iv) approximately HK\$6.5 million for replenishing the general working capital of the Group which is expected to be utilised by June 2025.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 75%, the MOA and the transactions contemplated thereunder constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements.

GENERAL MEETING

The GM Notice which contains, *inter alia*, ordinary resolution to approve the MOA and the Disposal and the transactions contemplated thereunder are set out on pages N-1 to N-2 of this circular.

For the purpose of determining the entitlement to attend and vote at the General Meeting, the register of members of the Company will be closed from Tuesday, 2 July 2024 to Friday, 5 July 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the General Meeting, 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, 28 June 2024.

A form of proxy for use at the General Meeting is enclosed with this circular. Whether or not you propose to attend the General Meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding of the General Meeting (i.e. 11:00 a.m. on Wednesday, 3 July 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof (as the case may be) should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the resolution proposed at the General Meeting will be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders or any of their respective associates have any material interest in the MOA and the Disposal and thus no Shareholder is required to abstain from voting on the resolution to be proposed at the General Meeting pursuant to the Listing Rules and/or the Articles of Association.

RECOMMENDATION

The Board considers that the terms of the MOA and the transaction contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the General Meeting to approve the MOA and the transactions contemplated thereunder.

LETTER FROM THE BOARD

GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

By order of the Board
ASIA ENERGY LOGISTICS GROUP LIMITED
Pang Yuet
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 is disclosed in the following annual reports of the Company which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aelg.com.hk) respectively:

- annual report of the Company for the year ended 31 December 2023 (“**FY2023**”)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0411/2024041100280.pdf>)
- annual report of the Company for the year ended 31 December 2022 (“**FY2022**”)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400497.pdf>)
- annual report of the Company for the year ended 31 December 2021 (“**FY2021**”)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601930.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

Amount due to the ultimate holding company

As at the close of business on 31 May 2024, the Group had outstanding amount due to the ultimate holding company in the principal amount of HK\$10.8 million which is which is unsecured, non-interest-bearing and repayable on 30 June 2024.

Lease liabilities

As at the close of business on 31 May 2024, the Group had outstanding unpaid contractual lease payment amounting to approximately HK\$7.42 million in aggregate in relation to the remaining lease terms of certain lease contracts for premises, which was secured by rental deposit of approximately HK\$1.64 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not, as at the close of business on 31 May 2024, have any outstanding loan capital, bank overdrafts, charges or debentures, mortgages, term loans, debt securities or any other similar indebtedness or any finance lease commitments, hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptable credits or any guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources and the net proceeds from the Disposal, the working capital available to the Group is sufficient for the Group’s requirements for at least 12 months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there is no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date on which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group principally engaged in the (i) shipping and logistics business and (ii) telecommunications related business in the PRC.

Shipping and logistics

After the Disposal, and prior to the acquisition of a replacement vessel, the Remaining Group will operate a fleet of one dry bulk carriers trading worldwide. The total carrying capacity of the Group's dry bulk fleet is about 32,500 DWT. It is expected that the remaining of the year ended 31 December 2024 will remain 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 in respect of both the Vessel and Clipper Selo will expire in mid-2024, while the management of the Company is not expecting any difficulties in obtaining new charter contract in respect of Clipper Selo, it is expected that the new charter rate will be lower than the existing rate under the current market sentiment. 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 been gradually recovering, however, it has been 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 to 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 cautious in 2024, posing more obstacles to the Group's telecommunications 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.

6. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Upon Completion, the Remaining Group will continue to carry out its existing businesses and there will be no change to the principal business of the Remaining Group. On this basis, the management discussion and analysis on the Remaining Group for FY2023, FY2022 and FY2021 is set out below.

Business Review

The review of each business segment of the Remaining Group is set out below. The Remaining Group has two business segments, namely, (i) shipping and logistics and (ii) telecommunications related business for FY2023, FY2022 and FY2021. Upon the disposal of MV Asia Energy, a bulk carrier vessel with carrying capacity of approximately 28,000 DWT, to an independent third party at a consideration of US\$3,300,000 (equivalent to approximately HK\$25,740,000) in January 2021, the result of MV Asia Energy, which was previously grouped under the shipping and logistics segment, was accounted for as discontinued operation for FY2021.

Shipping and Logistics

During FY2023, FY2022 and FY2021, the Group operated a fleet of two dry bulk carriers trading worldwide. The total carrying capacity of the Group's dry bulk fleet is about 32,000 DWT. All of the vessels of the Group were under full employment throughout FY2023, FY2022 and FY2021.

For FY2023, the Group recorded a revenue of approximately HK\$49,646,000, representing an increase of approximately 47% as compared to the revenue of approximately HK\$33,756,000 for the corresponding period of FY2022. The gross profit was approximately HK\$22,621,000, representing an increase of approximately 197% as compared to the gross profit of approximately HK\$7,604,000 for FY2022. The increase in revenue and gross profit was mainly contributed by (i) the increase in charter rate of the vessels as the Group secured charter contracts with high charter rate since August 2022, the higher charter rate of which remained throughout the entire FY2023. and (ii) the operating costs of the vessels have been lowered to normal level as the COVID-19 pandemic come under control.

In 2022, countries implemented strict quarantine measures and other relevant measures under the COVID-19 pandemic, the Group suffered a substantial increase in crew costs, including salaries, accommodation and traveling during the crew replacement. As the COVID-19 pandemic gradually eased and came under control, the crew costs had resumed to normal level since the fourth quarter of 2022. Meanwhile, the Group renewed the charter contracts in August 2022 with the charterer at charter rates which were higher than the previous rates, therefore, the result of the shipping and logistics business significantly improved in FY2022. For FY2022, the Group recorded a revenue of approximately HK\$33,756,000, representing an increase of approximately 42% as compared to the revenue of approximately HK\$23,832,000 for FY2021. The gross profit for FY2022 was approximately HK\$7,604,000, representing an increase of approximately 379% as compared to the gross loss of approximately HK\$2,728,000 recorded for FY2021. The increase in revenue and gross profit was due to the renewal of charter contracts in August 2022 at higher charter rates.

Telecommunications related business

During FY2023 and FY2022 the telecommunications related business of the Group were mainly provision of SMS services and 5G communication network solution. For FY2023 and FY2022, the Group recorded a revenue of approximately HK\$44,982,000 and HK\$38,966,000, respectively, such increase of revenue in FY2023 represented an increase of approximately 15% as compared to FY2022. The increase in revenue was mainly benefited from the 5G communication network solution business. The gross profit was approximately HK\$5,172,000 and HK\$2,557,000 respectively for FY2023 and FY2022, the increase in gross profit of approximately 102% in FY2023 as compared to that of FY2022 was mainly due to the higher gross profit margin contributed by 5G communication network solution business.

During FY2021, the Group completed the acquisition of an SMS business via Beishang Limited from an independent third party at a consideration of HK\$10 million in May 2021, and the SMS business contributed revenue of approximately HK\$18,706,000 and gross profit of approximately HK\$1,715,000 to the Group. The increase in revenue for this segment as recorded by the Group by approximately 108% to approximately HK\$38,966,000 for FY2022 was mainly benefited from the recovery of economic activities in the PRC and the new contribution from 5G communication network solution. Whereas the increase in gross profit by approximately 49% to approximately HK\$2,557,000 in FY2022 was mainly due to the growth in revenue and the higher gross profit margin contributed by 5G communication network solution.

Financial Review***For FY2023***

For FY2023, the revenue of the Group was approximately HK\$94,628,000, representing an increase of approximately 30% as compared to FY2022. 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 FY2023 of approximately HK\$2,223,000, representing an increase of approximately 104% as compared to FY2022. The increase in profit was mainly attributable to (i) the growth of the revenue and gross profit of shipping and logistics business, and (ii) the change in fair value of financial assets at fair value through profit or loss.

For FY2023, the basic and diluted earnings per Share was HK0.13 cents.

For FY2022

For FY2022, the revenue of the Group was approximately HK\$72,722,000, representing an increase of approximately 71% as compared to FY2021. The increase in revenue was mainly contributed by the renewal of charter contracts of the vessels in August 2022 at higher charter rates and growth in the revenue of SMS business.

The Group recorded a loss for FY2022 of approximately HK\$57,615,000, representing an increase of approximately 35% as compared to 2021. The increase in loss was mainly attributable to (i) the increase in research and development costs of the telecommunications related business, and (ii) the change in fair value of financial assets at fair value through profit or loss.

For FY2022, the basic and diluted loss per Share was HK3.27 cents.

For FY2021

For FY2021, the revenue from continuing operations of the Group was approximately HK\$42,538,000 (2020: approximately HK\$23,909,000), representing an increase of approximately 78% as compared to FY2020. The increase in revenue was mainly contributed by the SMS business which was acquired during the year.

The Group recorded a loss from continuing operations for FY2021 of approximately HK\$42,606,000 (2020: approximately HK\$47,870,000), representing a decrease of approximately 11% as compared to 2020. The increase in loss from continuing operations was mainly attributable to (i) the increase in crew costs and staff costs, (ii) the increase in repair and maintenance of the vessels, (iii) the decrease in finance costs and (iv) the absence of change in the fair value of derivative components of the convertible bonds resulting from the repayment of the convertible bonds in July 2020 and the gain on derecognition of a subsidiary. The loss for FY2021 of the Group amounted to approximately HK\$43,686,000 (2020: a gain of approximately HK\$111,804,000), representing a decrease of approximately 139% as compared to 2020 mainly due to a gain of HK\$174,347,000 on discontinued operations as a result of the liquidation of certain subsidiaries in 2020.

For FY2021, the basic and diluted loss per Share from continuing operations was HK2.48 cents (2020: HK4.59 cents) whilst the basic and diluted loss per Share from discontinued operations was HK0.06 cents (2020: HK15.33 cents earnings per Share).

Liquidity, financial resources and gearing ratio

As at 31 December 2023 before the Disposal, the Group had (i) cash and bank balances of approximately HK\$14,517,000 (of which HK\$3,636,000 were denominated in HK\$, HK\$6,687,000 were denominated in RMB, HK\$4,170,000 were denominated in USD and HK\$24,000 were denominated in EUR); (ii) total equity attributable to owners of the Company of approximately HK\$191,879,000; (iii) net current asset of approximately HK\$50,480,000; (iv) current ratio (being current assets over current liabilities of approximately 332%); and (v) gearing ratio (being total debt divided by total equity) of approximately 14%.

As at 31 December 2022, the Group had (i) cash and bank balances of approximately HK\$18,087,000 (of which HK\$8,172,000 were denominated in HK\$, HK\$5,079,000 were denominated in RMB and HK\$4,836,000 were denominated in USD); (ii) non-bank borrowings representing convertible bonds having an aggregate carrying amounts of approximately HK\$41,798,000 and other borrowings from a regulated securities broker of approximately HK\$8,197,000, which shall both mature in one year; (iii) total equity attributable to owners of the Company of approximately HK\$134,804,000; (iv) net current liabilities of approximately HK\$11,996,000; (v) current ratio (being current assets over current liabilities) of approximately 82%; and (vi) gearing ratio (being total debt divided by total equity) of approximately 51%.

As at 31 December 2021, the Group had (i) cash and bank balances of approximately HK\$53,378,000 (of which HK\$23,918,000 were denominated in HK\$, HK\$28,260,000 were denominated in RMB and HK\$1,200,000 were denominated in USD); (ii) non-bank borrowings representing convertible bonds having an aggregate carrying amounts of approximately HK\$31,637,000, which shall mature in two years; (iii) total equity attributable to owners of the Company of approximately HK\$193,018,000; (iv) net current assets of approximately HK\$69,374,000; (v) current ratio (being current assets over current liabilities) of approximately 430%; and (vi) gearing ratio (being total debt divided by total equity) of approximately 28%.

Significant Investments, material acquisitions or disposals of subsidiaries, associates and joint ventures

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries and associated companies during each of FY2023, FY2022 and FY2021.

Future plan for material investments or capital assets

As at the date of each the annual reports of the Company for each of FY2023, FY2022 and FY2021, there was no plan authorised by the Board for any material investments or additions of capital assets.

Pledge of assets and contingent liabilities

As at 31 December 2023, 2022 and 2021, the financial assets at fair value through profit or loss of approximately HK\$35,418,000, HK\$19,301,000 and HK\$28,267,000 was pledged as collateral for a margin facilities of approximately HK\$1,932,000, HK\$8,197,000 and HK\$2,244,000 granted by a regulated securities broker, respectively.

The Group did not have any contingent liabilities as at each of 31 December 2023, 2022 and 2021.

Employees

As at 31 December 2023, 2022 and 2021, the Group respectively had 40, 54 and 41 full-time employees in Hong Kong and the PRC. Staff costs (including Directors' remuneration) of the Group for FY2023, FY2022 and FY2021 was approximately HK\$29.8 million, HK\$25.4 million and HK\$24.8 million, respectively.

The Group decides the remunerations and compensation 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 participated in an approved Mandatory Provident Fund Scheme and the retirement benefit scheme for its Hong Kong and PRC employees respectively.

Exposure to fluctuation in exchange rates

During each of FY2023, FY2022 and FY2021, 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 as 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.

Funding and treasury policy

The Group source of funding for its business operations is mainly the internal generated cash flow during each of FY2023, FY2022 and FY2021. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

7. EFFECTS OF THE DISPOSALS ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Immediately before the Completion, the Group operates a fleet of two dry bulk carriers trading worldwide.

As at 31 December 2023, the audited net carrying value of the Vessel was approximately HK\$67,435,000. As a result of the Disposal, it is estimated that the Group will realise a gain on disposal of asset of approximately HK\$1,565,000. The actual gain which the Group would realise upon Completion will depend on the net carrying value of the Vessel as at date of delivery in accordance with the Group's impairment and depreciation policy for its vessels as shown in the Company's annual report and the actual costs of Disposal incurred as at the date of delivery in accordance with the MOA, and is also subject to audit that such gain will be reflected in the consolidated profit or loss account of the Group for the financial year in which the Disposal takes place.

Save as disclosed above, the Disposal will not have any material adverse impact on the earnings and assets and liabilities of the Group.

UNAUDITED PROFIT AND LOSS STATEMENT OF THE VESSEL

In accordance with paragraphs 14.68(2)(b)(i) of the Listing Rules, the unaudited profit and loss statement (“**Unaudited Profit and Loss Statement**”) on the identifiable net income stream of the Vessel for FY2023, FY2022 and FY2021, such information has been properly compiled and derived from the underlying books and records of the Vendor. The Company has engaged Mazars CPA Limited (“**Mazars**”) to conduct certain factual finding procedures on the compilation of such information in accordance with the Hong Kong Standard on Related Services (Revised) 4400, “Agreed-Upon Procedures Engagements” issued by the Hong Kong Institute of Certified Public Accountants. Mazars has agreed the Unaudited Profit and Loss Statement of the Vessel to the underlying books and records of the Vendor in accordance with the agreed-upon procedures set out in the relevant engagement letter between the Company and Mazars and reported its factual findings based on the agreed-upon procedures to the Directors. The reported factual findings should not be used or relied upon by any other parties for any purposes.

	For the year ended 31 December		
	2021	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	22,170	33,811	49,026
Cost of services	<u>(24,756)</u>	<u>(25,164)</u>	<u>(25,048)</u>
Gross (loss) profit	(2,586)	8,647	23,978
Other income	753	721	590
Administrative expenses	<u>(9,001)</u>	<u>(10,390)</u>	<u>(14,230)</u>
(Loss) Profit before tax	(10,834)	(1,022)	10,338
Income tax expense	<u>—</u>	<u>—</u>	<u>—</u>
(Loss) Profit for the year	<u><u>(10,834)</u></u>	<u><u>(1,022)</u></u>	<u><u>10,338</u></u>

The following is the text of a valuation certificate prepared for the purpose of incorporation in this circular received from Hartland, an independent valuer, in connection with its valuation of the Vessel as at 17 May 2024.



VALUATION CERTIFICATE

Vessel's Name: **M/V Clipper Panorama (IMO 9598995)**
Flag: **Hong Kong, China**
Type: **Bulk Carrier**
Classed: **LR**
Year of Build: **August 2011** Dry Docking: **August-24**
Built by: **Jiangmen Nanyang Ship Engineering
Co Ltd – Jiangme (CHR)**
DWT: **32,353mt** Draft: **10.15m**
LOA/Beam: **179.90m/28.40m**
Main Engine: **MAN-B&W 6S42MC**
Holds/Hatches/Gear: **5/5/C 4x31T**

Estimated Value: **US\$9.5 million (United States Dollars Nine Million Five Hundred Thousand Only)**

This valuation is predicated on the current information that the seller requires a 45-day subject period, and the buyer will proceed directly to drydocking upon delivery, without prior inspection.

For the purpose of making this valuation:

- a) We have assumed that the above information is true and accurate in every respect.
- b) The value given above relates solely to our opinion basis charter-free sale for prompt delivery between a willing seller and willing buyer of the approximate market value as at 17th May and should not be taken to apply to any other date.
- c) No assurance can be given that this value will be sustained or realisable in actual transactions.
- d) We have assumed that the vessel has been maintained in accordance with good commercial practice, that it is in good working order and sound seaworthy condition as regards hull and machinery as can be expected for a vessel of this age, size, type and classification, and that it is free from all Classification Society recommendations and freely transferable.

- e) We have not physically inspected the vessel and have relied solely on the above information which has been supplied to us. This valuation is therefore not a representation of fact or of the correctness of the above information or any other information available to us and no representation or warranties as to the correctness of the information are made or implied by the giving of this valuation which is a statement of our opinion only. Any person contemplating entering a transaction should satisfy themselves by inspection or otherwise of the correctness of the statements and assumptions made in this valuation.
- f) This valuation is expressed solely to and is for the benefit solely of the person instructing us. No other party is entitled to rely upon the contents herein nor is it to be quoted from or referred to in any document or filed with any government agency or other person without the written consent of Hartland Shipping Services Limited.

For and on behalf of
Hartland Shipping Services Limited

Julian Robinson,
Director, Sale & Purchase

Patrick Hinds,
Director, Sale & Purchase

Date: 17 May 2024

APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

I. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

A. INTRODUCTION

The following unaudited pro forma financial information has been prepared by Asia Energy Logistics Group Limited (the “**Company**”) to illustrate (i) the financial position of the Company and its subsidiaries as if the proposed disposal of a vessel, M/V Clipper Panorama (the “**Vessel**”), had been completed on 31 December 2023 (the “**Proposed Disposal**”) (hereinafter collectively referred to as the “**Remaining Group**”); and (ii) the profit or loss of the Remaining Group for the year ended 31 December 2023 as if the Proposed Disposal had been completed on 1 January 2023. Details of the Proposed Disposal are set out in the “Letter from the Board” contained in the circular dated 14 June 2024 (the “**Circular**”) issued by the Company.

The unaudited pro forma financial information is prepared based on (i) the audited consolidated statement of financial position of the Group as at 31 December 2023 as extracted from the annual report of the Company for the year ended 31 December 2023 after taking into account the pro forma adjustments relating to the Proposed Disposal as if the Proposed Disposal had been completed on 31 December 2023; and (ii) the audited consolidated statement of profit or loss of the Group for the year ended 31 December 2023 as extracted from the annual report of the Company for the year ended 31 December 2023 after taking into account the pro forma adjustments relating to the Proposed Disposal as if the Proposed Disposal had been completed on 1 January 2023.

The unaudited pro forma financial information is presented after making pro forma adjustments that are clearly shown and explained, directly attributable to the Proposed Disposal and not relating to future events or decisions, factually supportable and clearly identified as to those have/have no continuing effect on the Remaining Group.

The unaudited pro forma financial information, which has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the purposes of illustrating the effect of the Proposed Disposal, is based on a number of assumptions, estimates and uncertainties. As a result of these assumptions, estimates and uncertainties, it may not give a true picture of (i) the financial position of the Remaining Group as at 31 December 2023 or at any future date had the Proposed Disposal been completed on 31 December 2023; or (ii) the financial performance of the Remaining Group for the year ended 31 December 2023 or any future period had the Proposed Disposal been completed on 1 January 2023.

The unaudited pro forma financial information should be read in conjunction with the historical financial information of the Group as set out in the annual report of the Company for the year ended 31 December 2023 and other financial information included elsewhere in the Circular.

**APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION OF THE REMAINING GROUP**

	The Group as at 31 December 2023	Pro forma adjustments	Pro forma Remaining Group as at 31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
	<i>(Note 1)</i>	<i>(Note 2)</i>	
Non-current assets			
Property, plant and equipment	136,506	(67,435)	69,071
Intangible asset	1,000		1,000
Right-of-use assets	9,180		9,180
Goodwill	1,026		1,026
	<u>147,712</u>		<u>80,277</u>
Current assets			
Trade and other receivables	22,302		22,302
Financial assets at FVPL	35,418		35,418
Bank balances and cash	14,517	69,000	83,517
	<u>72,237</u>		<u>141,237</u>
Current liabilities			
Trade and other payables	9,739		9,739
Amount due to the ultimate holding company	7,000		7,000
Lease liabilities	5,018		5,018
	<u>21,757</u>		<u>21,757</u>
Net current assets	<u>50,480</u>		<u>119,480</u>
Total assets less current liabilities	<u>198,192</u>		<u>199,757</u>
Non-current liabilities			
Lease liabilities	5,117		5,117
Net assets	<u>193,075</u>		<u>194,640</u>

**APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS
OF THE REMAINING GROUP**

	The Group for the year ended 31 December 2023	Pro forma adjustments		Pro forma Remaining Group for the year ended 31 December 2023
	<i>HK\$'000</i> (Audited) <i>(Note 1)</i>	<i>HK\$'000</i> (Unaudited) <i>(Note 3)</i>	<i>HK\$'000</i> (Unaudited) <i>(Note 4)</i>	<i>HK\$'000</i> (Unaudited)
Revenue	143,654		(49,026)	94,628
Cost of services	<u>(90,813)</u>		25,048	<u>(65,765)</u>
Gross profit	52,841			28,863
Other income	2,203		(590)	1,613
Staff costs	(29,828)		8,524	(21,304)
Depreciation	(7,088)		1,040	(6,048)
Legal and professional fees	(6,497)		1,688	(4,809)
Motor vehicles expenses	(2,769)		609	(2,160)
Research and development costs	(259)			(259)
Office expenses	(1,770)		298	(1,472)
Other administrative and operating expenses	(8,558)	(3,017)	2,018	(9,557)
Change in fair value of financial assets at FVPL	18,752			18,752
Loss on disposal of financial assets at FVPL	(2,097)			(2,097)
Amortisation of deferred day-one loss of the 2020 Convertible Bonds	(829)			(829)
Finance costs	<u>(2,969)</u>		53	<u>(2,916)</u>
Profit (Loss) before tax	11,132			(2,223)
Income tax expense	<u>—</u>			<u>—</u>
Profit (Loss) for the year	<u><u>11,132</u></u>			<u><u>(2,223)</u></u>

**APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**D. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
REMAINING GROUP**

1. The audited consolidated statement of financial position of the Group as at 31 December 2023 and the audited consolidated statement of profit or loss of the Group for the year ended 31 December 2023 are extracted from the published annual report of the Company for the year ended 31 December 2023.

2. The calculation of the estimated gain on the Proposed Disposal to be recognised in profit or loss, as if the Proposed Disposal had been completed on 31 December 2023, is as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Consideration	<i>(i)</i>	74,100
Less: Estimated direct transaction costs and professional fees	<i>(ii)</i>	<u>(5,100)</u>
Net cash received		69,000
Less: Carrying amount of the Vessel as at 31 December 2023	<i>(iii)</i>	<u>(67,435)</u>
 Gain on the Proposed Disposal as if the Proposed Disposal had been completed on 31 December 2023, net of estimated direct transaction costs and professional fees		 <u><u>1,565</u></u>

Notes:

- (i) Amount represents the total consideration for the Proposed Disposal of US\$9,500,000 (approximately HK\$74,100,000) in accordance with the memorandum of agreement signed between Niriis Shipping S.A. and Lotus Gold Shipping Limited, a subsidiary of the Company, on 23 May 2024 (the “**Agreement**”) in relation to the sale and purchase of the Vessel.

- (ii) Amount represents the best estimates of the direct transaction costs and professional fees in relation to the Proposed Disposal amounting to HK\$5,100,000 by the directors of the Company.

- (iii) The carrying amount is extracted from the audited financial statements of Lotus Gold Shipping Limited for the year ended 31 December 2023.

Actual gain arising from the Proposed Disposal depends on final adjustment to the carrying amount of the Vessel, actual transaction costs and professional fees incurred up to the date of completion of the Proposed Disposal. Therefore, the actual gain shall be different from the amount calculated in the above table.

**APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

3. The calculation of the estimated loss on the Proposed Disposal to be recognised in profit or loss, as if the Proposed Disposal had been completed on 1 January 2023, is as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Consideration	<i>(i)</i>	74,100
Less: Estimated direct transaction costs and professional fees	<i>(ii)</i>	<u>(5,100)</u>
Net cash received		69,000
Less: Carrying amount of the Vessel as at 1 January 2023	<i>(iii)</i>	<u>(72,017)</u>
Loss on the Proposed Disposal as if the Proposed Disposal had been completed on 1 January 2023, net of estimated direct transaction costs and professional fees		<u><u>3,017</u></u>

Notes:

- (i) Amount represents the total consideration for the Proposed Disposal of US\$9,500,000 (approximately HK\$74,100,000) in accordance with the Agreement.
- (ii) Amount represents the best estimates of the direct transaction costs and professional fees in relation to the Proposed Disposal amounting to HK\$5,100,000 by the directors of the Company.
- (iii) The carrying amount is extracted from the audited financial statements of Lotus Gold Shipping Limited for the year ended 31 December 2022.

Actual loss arising from the Proposed Disposal depends on final adjustment to carrying amount of the Vessel, actual transaction costs and professional fees incurred up to the date of completion of the Proposed Disposal. Therefore, the actual loss shall be different from the amount calculated in the above table.

4. These adjustments represent the exclusion of operating results of the Vessel for the year ended 31 December 2023 as if the Proposed Disposal had been completed on 1 January 2023.
5. The above adjustments in relation to the consolidated statement of profit or loss are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss of the Remaining Group in the subsequent reporting periods.

**APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

6. The financial information contained in the unaudited pro forma consolidated statement of financial position as at 31 December 2023 and unaudited pro forma consolidated statement of profit or loss relating to the year ended 31 December 2023 included in this report does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622). The Company's auditor has reported on the consolidated financial statements for the year ended 31 December 2023 of the Group. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under Sections 406(2), 407(2) or 407(3) of the Companies Ordinance (Cap. 622).

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II. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION



The Board of Directors
Asia Energy Logistics Group Limited
Suite 802-803, 8/F
One Pacific Place
88 Queensway
Hong Kong

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asia Energy Logistics Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2023 and the unaudited pro forma consolidated statement of profit or loss for the year ended 31 December 2023 and related notes as set out on pages IV-1 to IV-6 of the circular in connection with proposed disposal of a vessel, M/V Clipper Panorama (the “**Proposed Disposal**”) dated 14 June 2024 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Part I of Appendix IV to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Proposed Disposal on the Group’s financial position as at 31 December 2023 and its profit or loss for the year ended 31 December 2023 as if the Proposed Disposal had taken place on 31 December 2023 and 1 January 2023 respectively. As part of this process, information about the Group’s consolidated financial position as at 31 December 2023 and the Group’s consolidated financial performance for the year ended 31 December 2023 has been extracted by the Directors from the Company’s consolidated financial statements for the year ended 31 December 2023 on which an audit report has been issued.

Directors’ responsibility for the unaudited pro forma financial information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

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Reporting accountant’s independence and quality management

We have complied with the independence and other ethical requirements of the “*Code of Ethics for Professional Accountants*” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply Hong Kong Standard on Quality Management 1 “*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*” which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant’s responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 31 December 2023 or 1 January 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

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OF THE REMAINING GROUP**

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Mazars CPA Limited

Certified Public Accountants

42/F., Central Plaza

18 Harbour Road

Wanchai, Hong Kong

Hong Kong, 14 June 2024

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors of the Company

As at the Latest Practicable date, the interests or short positions of the Directors of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which will be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (b) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules, are set out as follows:

Name of Director	Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the Company
Mr. Pang Yuet ⁽²⁾	Interest in a controlled corporation	1,400,000,000 (L)	70.18%
Mr. Hui Wai	Interest of his spouse	24,000 (L)	0.00%

Notes:

As at the Latest Practicable Date:

- (1) The letter “L” denotes the Directors’ long position in the Shares.
- (2) Mr. Pang Yuet 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 Yuet.

Interests of substantial Shareholder

As at the Latest Practicable Date, so far as the Directors were aware or could ascertain after reasonable enquiry, the following persons, not being a Director of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any options in respect of such capital:

Shareholder	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the Company
Oriental Solar Group Limited	Beneficial owner ⁽²⁾	1,400,000,000 (L)	70.18%

Notes:

As at the Latest Practicable Date:

- (1) The letter "L" denotes the Directors' long position in the Shares.
- (2) Mr. Pang Yuet held 100% equity interest in Oriental Solar Group Limited, the controlling Shareholder. Accordingly, Mr. Pang Yuet is deemed to have an interest in all the shares beneficially owned by Oriental Solar Group Limited under the SFO.

Save as disclosed in this circular and so far as the Directors or the Chief Executive of the Company were aware, as at the Latest Practicable Date, (i) there were no other persons who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any option in respect of such capital; and (ii) save for Mr. Pang Yuet's directorship in Oriental Solar Group Limited, none of the Directors was a director or employee of a company which had an interest of short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered, or proposed to enter, into any service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business which would be required to be disclosed under Rule 8.10 of the Listing Rules.

5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any members of the Group since 31 December 2023, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. EXPERT AND CONSENT

The following are the qualifications of the experts who have given an opinion or advice which is contained in this circular:

Name	Qualification
Mazars CPA Limited	Certified Public Accountants
Hartland	Professional Valuer

Hartland is a professional ship broker firm with offices in London, Shanghai and Singapore, providing shipping consultancy services, including, among others, valuation of vessels for ship owners and financial institutes such as shipping banks. Both Mr. Patrick Hinds and Mr. Julian Robinson, the signing directors of the valuation certificate issued by Hartland as set out in Appendix III to this circular, have over 20 years of experience in the industry.

As at the Latest Practicable Date, each of Mazars CPA Limited and Hartland:

- (1) did not have any shareholding, direct or indirect, in any member of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (2) did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any members of the Group since 31 December 2023, being the date up to which the latest published audited financial statements of the Group were made; and
- (3) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which they are included.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business of the Group), have been entered into by the Group within two years preceding the date of this circular and ending on the Latest Practicable Date, and are or may be material:

- (1) the sale and purchase agreement dated 5 May 2023 (the “**Tinytiger SPA**”) entered into between the Company as purchasers, and the following vendors, for the sale and purchase of the 100% of the shares of Tinytiger Internet Technology Company Limited (the “**Target**”), the consideration of which was to be settled by the allotment and issuance of new Shares, details of which are set out below:

Vendor (the “ Tinytiger Vendors ”)	Number Shares of Target to be acquired	Consideration payable by the Company (in HK\$)	Number of consideration Shares to be issued
Jetport Development Limited	24,603	69,577,284	344,442,000
Bailan Limited	3,960	11,198,880	55,440,000
Brim Elite Limited	900	2,545,200	12,600,000
Zhouping Limited	540	1,527,120	7,560,000
Splitnew Limited	3,847	10,879,316	53,858,000
Galaxy Bond Holdings Limited	1,440	4,072,320	20,160,000
Total	35,290	99,800,120	494,060,000

- (2) the termination agreement dated 31 October 2023 entered into between the Company and the Tinytiger Vendors in relation to the termination of the Tinytiger SPA; and
- (3) the MOA.

9. MISCELLANEOUS

- (1) The company secretary of the Company is Mr. Poon Pok Man Coca, a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (2) The registered office of the Company is situated at Suite 802-803, 8/F, One Pacific Place, 88 Queensway, Hong Kong.
- (3) The share registrar of the Company is Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (4) The English text of this circular shall prevail over the Chinese text in the event of any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aelg.com.hk) from the date of this circular up to 14 days thereafter:

- (1) the MOA;
- (2) the valuation certificate prepared by Hartland Shipping Services Limited in relation to the Vessel as set out in Appendix III to this circular;
- (3) the report from Mazars CPA Limited on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular;
- (4) the letter of consent from each of Mazars CPA Limited and Hartland Shipping Services Limited referred to in paragraph 7 of this appendix; and
- (5) the material contracts of the Company as referred to in paragraph 8 of this appendix.

NOTICE OF GENERAL MEETING

亞洲能源物流
ASIA ENERGY
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)

NOTICE IS HEREBY GIVEN that the general meeting (the “**Meeting**”) of Asia Energy Logistics Group Limited (the “**Company**”) will be held at Suite 802-803, 8/F, One Pacific Place, 88 Queensway, Hong Kong on Friday, 5 July 2024 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTION

1. “THAT:

- (i) the memorandum of agreement (the “**MOA**”, a copy of which marked “**A**” has been tabled to the Meeting and signed by the chairman of the Meeting for the purpose of identification) dated 23 May 2024 entered into between (i) Lotus Gold Shipping Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company as vendor (the “**Vendor**”); and (ii) Niriis Shipping S.A., a company incorporated in the Republic of Panama or its guaranteed nominees as purchaser (the “**Purchaser**”), in relation to the proposed disposal by the Vendor of the vessel Clipper Panorama with IMO No. 9598995 to the Purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (ii) any director of the Company be and is hereby authorised to do all acts, deeds and things and to sign and execute all documents as he may, at his absolute discretion, deem incidental to, ancillary to or in connection with the matters contemplated in and for completion of the MOA.”

By Order of the Board
ASIA ENERGY LOGISTICS GROUP LIMITED
Pang Yuet
Chairman and Executive Director

Hong Kong, 14 June 2024

NOTICE OF GENERAL MEETING

Registered office:

Suite 802-803, 8/F

One Pacific Place

88 Queensway

Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares in the Company may appoint more than one proxy. A proxy need not be a member of the Company.
2. To be valid, the form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company's share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting (i.e. 11:00 a.m. on Wednesday, 3 July 2024) or any adjournment thereof (as the case may be).
3. Where there are joint holders of any share in the Company, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. For the purpose of determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Tuesday, 2 July 2024 to Friday, 5 July 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be qualified for attending and voting at the Meeting, all transfer documents accompanied by the relevant share certificates 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 by not later than 4:30 p.m. on Friday, 28 June 2024.