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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: 0351)

MEMORANDUM OF UNDERSTANDING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 8 August 2013 (after trading hours), the Subsidiary entered into the MOU with the HK Company and the Guarantor in relation to, among others, the establishment of a business cooperation partnership for an Agricultural Logistics Park located in Wuyishan City. An Earnest Money of HK\$22,000,000 is required to be made upon the signing of the MOU.

The Board wishes to emphasize that the MOU, which is partially legal-binding, may or may not lead to the signing of any formal agreement in relation to the Cooperation Project. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that on 8 August 2013 (after trading hours), the Subsidiary entered into the MOU with the HK Company and the Guarantor in relation to, among others, the establishment of a business cooperation partnership for an Agricultural Logistics Park located in Wuyishan City. Brief particulars of the MOU are as follows:

MEMORANDUM OF UNDERSTANDING

Date: 8 August 2013

Parties:

- (i) the Subsidiary, a wholly owned subsidiary of the Company;
- (ii) the HK Company, a company that directly holds a 40% equity interest in the PRC Company; and
- (iii) the Guarantor.

Each of the HK Company, the PRC Company and the Guarantor are third parties independent of and not connected to the Company, the Directors and their respective connected persons (as defined in the Listing Rules).

The MOU relates to, inter alia, the establishment of the Agricultural Logistics Park located in Wuyishan City and that the HK Company will procure the PRC Company to negotiate with the Subsidiary for the Cooperation Project.

Earnest Money

The Subsidiary agrees to pay HK\$22,000,000 as Earnest Money upon the signing of the MOU to obtain an Exclusive Period to conduct feasibility study on the prospect of the Agricultural Logistics Park and the HK Company agrees to use their best efforts to procure the PRC Company to forbid other potential investors from participation in the Cooperation Project during the Exclusive Period.

If no formal cooperation agreement in relation to the Agricultural Logistics Park is entered into one month after the Exclusive Period or all Parties agree to terminate the MOU, the HK Company will return the Earnest Money in full to the Subsidiary.

Equity Capital

If a formal cooperation agreement in relation to the Agricultural Logistics Park is entered into after the Exclusive Period, the Earnest Money paid by the Subsidiary will automatically be converted into the equity capital of the joint venture company contributed by the Subsidiary.

Guarantor

The Guarantor agrees to take full responsibility if the HK Company fails to return the Earnest Money in accordance with the MOU.

REASONS FOR ENTERING INTO THE MEMORANDUM OF UNDERSTANDING

The Board considers that the Cooperation Project will broaden and diversify the Group's business portfolio and is a step further towards the development of the Group's business in the logistics industry. Accordingly, the Directors consider that the entering into of the MOU is beneficial and in the interest of the Company and the Shareholders as a whole.

GENERAL

The Board wishes to emphasize that the MOU, which is partially legal-binding, may or may not lead to the signing of any formal agreement in relation to the Cooperation Project. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

Further announcement will be made by the Company in respect of the Cooperation Project as and when appropriate.

DEFINITIONS

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

“Agricultural Logistics Park”	武夷新區農產品物流園 (Wuyi District Agricultural Products Logistics Park) located in Wuyishan City and an agriculture distribution logistics park, covering an area of about 1,000 mu
“Board”	the board of Directors of the Company
“Company”	Asia Energy Logistics Group Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Cooperation Project”	the establishment of the Agricultural Logistics Park and the entering of a formal cooperation agreement between the PRC Company and the Subsidiary
“Director(s)”	the director(s) of the Company
“Earnest Money”	a sum of HK\$22,000,000, payable by the Subsidiary to the HK Company within 5 days after the signing of the MOU
“Exclusive Period”	a period of 3 months from the date of the MOU
“Group”	the Company and its subsidiaries, including the Subsidiary
“Guarantor”	an individual resides in Hong Kong and, to the best of the Directors’ knowledge, information and belief, has extensive experience in corporate planning, restructuring and merger and acquisitions
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK Company”	an investment holding company incorporated in Hong Kong with limited liabilities, which is a third party independent of and not connected to the Company, the Directors and their respective connected persons and directly holds a 40% equity interest in the PRC Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 8 August 2013 entered into among the Subsidiary, the HK Company and the Guarantor in relation to, among others, the Cooperation Project
“PRC”	The People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“PRC Company”	a company incorporated in the PRC with limited liabilities and is 40% directly owned by the HK Company, which is a third party independent of and not connected to the Company, the Directors and their respective connected persons and, to the best of the Directors’ knowledge, information and belief, is principally engaged in the consultation on business investment, marketing and exhibition and management and operation of agricultural products wholesale market
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Teamford Limited, a company incorporated in Hong Kong with limited liabilities and is a direct wholly owned subsidiary of the Company
“Wuyishan City”	武夷山市 (Wuyishan City) located in 福建 (Fujian) Province, the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Asia Energy Logistics Group Limited
Liang Jun
Executive Director

Hong Kong, 9 August 2013

As at the date of this announcement, the executive directors of the Company are Mr. Liang Jun, Mr. Fung Ka Keung, David and Ms. Yu Sau Lai; the non-executive directors of the Company are Mr. Yu Baodong (Chairman), Mr. Tse On Kin and Ms. Sun Wei; and the independent non-executive directors of the Company are Mr. Chan Chi Yuen, Mr. Zhang Xi and Prof. Sit Fung Shuen, Victor.