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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)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013**

### **RESULTS**

The board (the “Board”) of directors (the “Directors”) of Asia Energy Logistics Group Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2013, together with the comparative figures for the previous corresponding period, as follows:

### **CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2013*

		<b>For the six months ended 30 June</b>	
		<b>2013</b>	<b>2012</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Turnover	3	—	—
Other income, gains and losses	4	<b>(1,532)</b>	(8,206)
Depreciation and amortisation		<b>(3,430)</b>	(4,179)
Staff costs		<b>(11,577)</b>	(15,236)
Change in fair value of contingent consideration payable		<b>4,482</b>	(3,971)
Share of results of jointly controlled entity		<b>(7,023)</b>	(5,737)
Other operating expenses		<b>(12,506)</b>	(14,300)
		<hr/>	<hr/>
Loss before income tax	7	<b>(31,586)</b>	(51,629)
Income tax	8	<b>—</b>	—
		<hr/>	<hr/>
Loss for the period		<b>(31,586)</b>	(51,629)

		For the six months ended 30 June	
		2013	2012
		HK\$'000	HK\$'000
Notes		(Unaudited)	(Unaudited)
<b>Other comprehensive income</b>			
Exchange difference arising on translation of financial statements of foreign operations which may be reclassified subsequently to profit or loss		<u>11,307</u>	<u>(3,569)</u>
Total comprehensive income for the period		<u>(20,279)</u>	<u>(55,198)</u>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(28,975)	(48,496)
Non-controlling interests		<u>(2,611)</u>	<u>(3,133)</u>
		<u>(31,586)</u>	<u>(51,629)</u>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		(21,767)	(50,577)
Non-controlling interests		<u>1,488</u>	<u>(4,621)</u>
		<u>(20,279)</u>	<u>(55,198)</u>
<b>Loss per share</b>			
— basic and diluted ( <i>HK cent per share</i> )		9 <u>(0.23)</u>	<u>(0.38)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

		At 30 June 2013 HK\$'000 (Unaudited)	At 31 December 2012 HK\$'000 (Audited)
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		10,358	11,202
Intangible assets		86,505	88,683
Construction in progress		1,918,119	1,818,354
Railway construction prepayment		88,285	89,234
Interest in a jointly controlled entity		—	—
		2,103,267	2,007,473
<b>Current assets</b>			
Other receivables and prepayments		16,286	21,622
Trading securities	11	53,547	55,723
Loan to an associate		15,909	18,150
Cash and cash equivalents		57,502	113,279
		143,244	208,774
<b>Total assets</b>		<b>2,246,511</b>	<b>2,216,247</b>
<b>Current liabilities</b>			
Other payables	12	72,238	48,852
Bank loans		62,783	61,676
Amount due to a jointly controlled entity		20,849	13,826
Amounts due to minority equity owners of subsidiaries		9,183	9,021
		165,053	133,375
<b>Net current (liabilities)/assets</b>		<b>(21,809)</b>	<b>75,399</b>
<b>Total assets less current liabilities</b>		<b>2,081,458</b>	<b>2,082,872</b>
<b>Non-current liabilities</b>			
Bank loans		1,234,055	1,212,292
Contingent consideration payable		6,498	10,980
		1,240,553	1,223,272
<b>Net assets</b>		<b>840,905</b>	<b>859,600</b>

		At 30 June 2013 <i>HK\$'000</i> (Unaudited)	At 31 December 2012 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	13	<b>128,570</b>	128,570
Reserves		<b>476,729</b>	496,912
Equity attributable to owners of the Company		<b>605,299</b>	625,482
Non-controlling interests		<b>235,606</b>	234,118
<b>TOTAL EQUITY</b>		<b>840,905</b>	859,600

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

During the period, the Group incurred a loss of approximately HK\$31,586,000 and had net current liabilities of approximately HK\$21,809,000 as at 30 June 2013. Further, there is capital expenditure in respect of the capital commitment for the construction of the railway as disclosed in Note 15 to these condensed consolidated interim financial statements which is expected to be incurred during the year ending 31 December 2013. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have carried out a review of the cash flow forecast of the Group for the twelve months ending 30 June 2014 and consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the twelve months from 30 June 2013. Accordingly, the directors are satisfied that it is appropriate to prepare these condensed consolidated interim financial statements on a going concern basis.

If the going concern basis is not appropriate, adjustments would have to be made to write down the values of the assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA (hereinafter collectively referred to as the “HKFRSs”) and the disclosure requirements of Hong Kong Companies Ordinance and the Listing Rules.

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies and methods of computation adopted in the 2012 annual financial statements have been applied consistently to these unaudited condensed consolidated interim financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements.

In the current period, the Group has adopted all the new/revised HKFRSs and amendments to HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2013. The adoption of these new/revised HKFRSs and amendments to HKFRSs did not result in significant changes to the Group’s financial statements for the current period and prior periods except as stated below.

### **Amendments to HKAS 1 “Presentation of Financial Statements”**

The Amendments to HKAS 1 requires additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (i) items that will not be reclassified subsequently to profit or loss; and (ii) items that may be reclassified subsequently to profit or loss. The amendments have been applied retrospectively. The adoption of Amendments to HKAS 1 has no significant impact on the Group’s results and financial position.

The Group has not applied the new/revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these pronouncements but is not yet in a position to state whether these pronouncements would have a material impact on its results of operations and financial position.

### 3. TURNOVER

The Group did not generate any turnover during the periods.

### 4. OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss on trading securities		
— change in fair value of trading securities	(2,176)	(9,166)
Loan interest income	551	553
Bank interest income	93	407
	<u>(1,532)</u>	<u>(8,206)</u>

### 5. SEGMENT INFORMATION

The Group has only one reportable segment as at 30 June 2013 and 2012 which is railway construction and operations.

Unaudited Six months ended 30 June 2013	Railway construction and operations HK'000	Unallocated HK'000	Total HK'000
Segment revenue from external customers	<u>—</u>	<u>—</u>	<u>—</u>
Segment loss	(5,304)	(16,538)	(21,842)
Interest revenue	—	644	644
Depreciation of property, plant, and equipment	(769)	(483)	(1,252)
Amortisation of intangible assets	—	(2,178)	(2,178)
Loss on trading securities	—	(2,176)	(2,176)
Impairment loss on loan to an associate	—	(2,241)	(2,241)
Change in fair value of contingent consideration payable	—	4,482	4,482
Share of results of jointly controlled entity	<u>—</u>	<u>(7,023)</u>	<u>(7,023)</u>
Loss before income tax	<u>(6,073)</u>	<u>(25,513)</u>	<u>(31,586)</u>

	Unaudited Six months ended 30 June 2012		
	Railway construction and operations HK'000	Unallocated HK'000	Total HK'000
Segment revenue from external customers	—	—	—
Segment loss	(6,249)	(17,067)	(23,316)
Interest revenue	—	960	960
Depreciation of property, plant, and equipment	(1,030)	(611)	(1,641)
Amortisation of intangible assets	—	(2,538)	(2,538)
Loss on trading securities	—	(9,166)	(9,166)
Impairment loss on loan to an associate	—	(6,220)	(6,220)
Change in fair value of contingent consideration payable	—	(3,971)	(3,971)
Share of results of jointly controlled entity	—	(5,737)	(5,737)
Loss before income tax	(7,279)	(44,350)	(51,629)

	As at 30 June 2013 HK\$'000 (Unaudited)	As at 31 December 2012 HK\$'000 (Audited)
Segment assets		
Railway construction and operations	2,015,473	1,957,848
Intangible assets	86,505	88,683
Trading securities	53,547	55,723
Loan to an associate	15,909	18,150
Other unallocated corporate assets	75,077	95,843
Consolidated total assets	2,246,511	2,216,247
Segment liabilities		
Railway construction and operations	1,375,850	1,327,617
Contingent consideration payable	6,498	10,980
Other unallocated corporate liabilities	23,258	18,050
Consolidated total liabilities	1,405,606	1,356,647

## 6. FINANCE COSTS

	For the six months ended 30 June 2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Interest on bank borrowings:		
— wholly repayable after five years	50,897	71,847
Total borrowing costs	50,897	71,847
Less: amount capitalised in construction in progress on specific borrowings	(50,897)	(71,847)
	—	—

## 7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):-

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	1,252	1,641
Amortisation of intangible assets	2,178	2,538
	3,430	4,179
Staff cost		
— Salaries, wages and other benefits	9,320	9,979
— Equity-settled share-based payments	1,584	4,524
— Contributions to defined contribution retirement scheme	673	733
	11,577	15,236
Auditor's remuneration	108	127
Impairment loss on loan to an associate	2,241	6,220
Operating lease rentals in respect of land and buildings	2,407	2,111
Change in fair value of trading securities	2,176	9,166
Change in fair value of contingent consideration payable	(4,482)	3,971
Net exchange loss	114	—

## 8. INCOME TAX

No provision for Hong Kong profits tax has been made in the condensed consolidated interim financial statements as the Group's operations in Hong Kong had no assessable profit for the six months ended 30 June 2013 and 2012.

No provision for the People's Republic of China ("PRC") enterprise income tax has been made in the condensed consolidated interim financial statements as the Group's operations in the PRC had no assessable profit for the six months ended 30 June 2013 and 2012.

## 9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$28,975,000 (six months ended 30 June 2012: approximately HK\$48,496,000) and 12,857,027,100 ordinary shares (six months ended 30 June 2012: 12,857,027,100 ordinary shares) in issue during the six months ended 30 June 2013.

Diluted loss per share was not presented for the six months ended 30 June 2013 and 2012 as the potential ordinary shares are anti-dilutive.

## 10. DIVIDEND

No dividend was paid or declared by the Company during the six months ended 30 June 2013 and 2012.

The directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2013 and 2012.

## 11. TRADING SECURITIES

At 30 June 2013 <i>HK\$'000</i> (Unaudited)	At 31 December 2012 <i>HK\$'000</i> (Audited)
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Hong Kong listed equity securities at fair value	<u>53,547</u>	<u>55,723</u>
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For investments which have been suspended from trading as at the end of reporting period, the fair value was measured with reference to the quoted price of the last dealing date before suspension of trade and other available information considered appropriate by the directors. At 31 December 2012, the carrying amounts of these investments were HK\$6,405,000. No trading securities of the Group were suspended from trading as at 30 June 2013.

## 12. OTHER PAYABLES

At 30 June 2013 <i>HK\$'000</i> (Unaudited)	At 31 December 2012 <i>HK\$'000</i> (Audited)
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Construction cost payables	42,959	43,582
Other payables	29,279	5,270
	<u>72,238</u>	<u>48,852</u>

## 13. SHARE CAPITAL

Number of ordinary shares of HK\$0.01 each	Amount <i>HK\$'000</i>
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### Authorised ordinary shares:

At 30 June 2013 and 31 December 2012	<u>120,000,000,000</u>	<u>1,200,000</u>
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### Issued and fully paid ordinary shares:

At 30 June 2013 and 31 December 2012	<u>12,857,027,100</u>	<u>128,570</u>
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Number of preference shares of HK\$0.01 each	Amount <i>HK\$'000</i>
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### Authorised preference shares class A:

At 30 June 2013 and 31 December 2012	<u>10,000,000,000</u>	<u>100,000</u>
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### Authorised preference shares class B:

At 30 June 2013 and 31 December 2012	<u>10,000,000,000</u>	<u>100,000</u>
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No preference shares have been issued as at 30 June 2013 and 31 December 2012.

#### 14. SHARE OPTIONS

On 21 April 2011, 313,200,000 share options carrying the rights to subscribe for a total of 313,200,000 ordinary shares of HK\$0.01 each of the Company were granted to 51 individuals under the 2008 share option scheme and as refreshed on 3 June 2010. 312,200,000 share options granted were accepted by the grantees and 1,000,000 share options were lapsed due to non-acceptance by the grantee within the prescribed time limit. The contractual life of options is 10 years.

The number and weighted average exercise prices of share option are as follow:

	Number of options '000	Weighted average exercise price HK\$
As at 1 January 2012	294,200	0.1680
Forfeited during the year	(21,200)	0.1680
	<hr/>	
As at 31 December 2012	273,000	0.1680
Forfeited during the period	(14,700)	0.1680
	<hr/>	
As at 30 June 2013	<u>258,300</u>	0.1680

*Note:*

- (i) up to 40% of the total number of options will be vested from the date of grant of the options;
- (ii) an additional 30% of the total number of options will be vested upon the first anniversary of the date of grant of the options; and
- (iii) the remaining 30% of the total number of options will be vested upon the second anniversary of the date of grant of the options.

#### 15. CAPITAL COMMITMENTS

Capital commitments outstanding as at the reporting date not provided for in the condensed consolidated interim financial statements are as follows:

	At 30 June 2013 HK\$'000 (Unaudited)	At 31 December 2012 HK\$'000 (Audited)
Authorised and contracted for in respect of construction of railway:		
— Zunxiao Company	156,237	157,993
— Kuanping Company	472	4,440
— Tangcheng Company	181,752	183,290
	<hr/>	<hr/>
	<u>338,461</u>	<u>345,723</u>

These commitments were entered into by three PRC non-wholly owned subsidiaries. The Group's effective interest in Zunxiao Company, Kuanping Company, and Tangcheng Company is 62.50%, 62.50% and 51.00% respectively as at 30 June 2013 and 31 December 2012.

## **16. EVENTS AFTER THE REPORTING PERIOD**

On 8 August 2013, a wholly owned subsidiary of the Company entered into the Memorandum Of Understanding (“MOU”) with an independent third party and a guarantor in relation to, among others, the establishment of a business corporation partnership in developing an agricultural logistics park (“Agricultural Logistics Park”) located in Wuyishan City, Fujian Province of the PRC.

The Company agrees to pay HK\$22,000,000 as earnest money upon the signing of the MOU to obtain an exclusive period of 3 months from the date of the MOU to conduct feasibility study on the prospect of the Agricultural Logistics Park and the independent third party agrees to use their best efforts to procure a company incorporated in the PRC 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 within one month after the exclusive period or all parties agree to terminate the MOU, the independent third party will return the earnest money in full to the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the period under review, the Group is principally engaged in the (i) railway construction and operations; and (ii) shipping and logistics businesses.

### Railway Construction and Operations

The Group's investment in railway construction and operations started in July 2009. The Group acquired 100% equity interest in Gofar Holdings Limited ("Gofar") which indirectly holds a 62.5% equity interest in each of 承德寬平鐵路有限公司 (Chengde Kuanping Railway Limited\*) ("Kuanping Company") and 承德遵小鐵路有限公司 (Chengde Zunxiao Railway Limited\*) ("Zunxiao Company"), and a 51% equity interest in 唐山唐承鐵路運輸有限責任公司 (Tangshan Tangcheng Railway Transportation Company Limited\*) ("Tangcheng Company") (collectively referred to as the "Gofar Group"). The business scope of the Gofar Group is the construction and operation of a 121.7 kilometre single-track railway (the "Zunxiao Railway") with 12 stations connecting two major municipalities in the Hebei Province, namely Tangshan City (唐山市) and Chengde City (承德市), in the People's Republic of China (the "PRC").

Relevant approvals for the construction of the Zunxiao Railway were obtained in 2008 and major construction work for the first 25 kilometre of the Tangshan Section has been completed and is ready for trial runs. The "Temporary Operation License of the Hebei Railway Administration Bureau" ("河北省鐵路臨時運輸營業許可證") for the first 25 kilometres of the Zunxiao Railway issued to the Tangcheng Company was renewed on 29 June 2012, effective for one year. The operating range covers Zunhua South Station (遵化南站), which is the transfer station of the national railway, to Santunying Station (三屯營站).

The construction of the whole 121.7 kilometre Zunxiao Railway was originally scheduled to be completed by the end of 2010. Due to the unforeseen circumstances encountered during the construction stage for infrastructure of this scale, the construction had been severely delayed and as disclosed in the Company's 2012 Annual Report, the completion of the construction will be delayed to the end of 2013. As such, additional resources were required to cover the additional costs caused by the delay in construction which would be financed by shareholders' contribution and bank loans in the ratio of 35% and 65% respectively. In addition, the Group had financial liabilities comprising principally bank loan and related interest for the construction of the railway and the first loan installment of approximately HK\$62,780,000 is due for repayment by the end of 2013. Based on the latest construction progress report, it was very likely that completion of the construction would be further delayed beyond the end of 2013. The Company will closely monitor and review the overall railway construction progress and will take appropriate actions including reorganization.

### Shipping and Logistics

The Group has also diversified its business into the dry bulk shipping industry by acquiring the entire interest in Ocean Jade Investments Limited ("Ocean Jade") in May 2010. Ocean Jade holds 50% interest in a company which is a jointly controlled entity (the "JV Company", and together with its subsidiaries, the "JV Group") with Waibert Navigation Company Limited ("Waibert"), a wholly-owned subsidiary of the Guangdong Province Navigation Holdings Company Limited, one of the key provincial government owned enterprises. The JV Company is principally engaged in the investment in ship management, dry bulk carrier chartering and operation.

\* for identification purpose only

Under the shareholders' agreement dated 1 December 2009 (as amended by a supplemental agreement also dated 1 December 2009) (collectively, the "JV Agreement") entered into between Ocean Jade, Waibert and the JV Company (collectively referred to as the "Parties"), the JV Group is mandated to acquire two Handy-size Vessels and two Panamax or Supramax Vessels. The two Handy-size Vessels of about 35,000 metric tonnes deadweight each (the "First Vessel" and the "Second Vessel", respectively) were then acquired at the consideration of RMB175 million and RMB178.8 million on 30 April 2010 and 10 August 2010 respectively, which were subsequently delivered in August 2010 and January 2011, respectively.

Since the acquisition of the two Handy-size Vessels on 30 April 2010 and 10 August 2010, respectively, the JV Group has not made further acquisition of the remaining two vessels as planned due to the unfavourable market conditions. The latest deadline for the acquisition of the two vessels was extended to 31 December 2013 pursuant to the fifth memorandum of mutual understanding dated 28 June 2013.

Although there is no clear sign the shipping market is starting to bounce back, the volatile shipping market has shown signs of bottoming out. The directors of the JV Company are constantly monitoring the shipping market conditions and will make the move to acquire the remaining two vessels when the shipping market conditions become more favourable. Also, the Company is considering the possibilities of expanding the scope of its current shipping business operations.

The JV Group recorded a revenue of approximately HK\$38,042,000 (30 June 2012: approximately HK\$45,220,000) for the period under review, the loss from this business segment was approximately HK\$7,023,000 (30 June 2012: loss approximately HK\$5,737,000).

## **Prospects**

For the first half of 2013, the global economic uncertainty continued to affect the Group's business. The Company is actively looking into the possibilities of broadening and restructuring its current business and investment portfolios as well as expanding the scope of its business operations. The Company is conducting a review on its current business operations and financial position with a view to formulate business plans and strategies for future business developments which would enable the Group to allocate its resources more effectively; to diversify its resources and broaden its income sources; to divest in the business operations which had not performed well as expected; and to channel and concentrate its resources to business areas which have better future prospects and exploring other business and investment opportunities.

As a first step, on 8 August 2013, a wholly owned subsidiary of the Company (the "Subsidiary") entered into the memorandum of understanding ("MOU") with a company incorporated in Hong Kong ("HK Company") and the guarantor in relation to, among others, the establishment of a business cooperation partnership in developing an agricultural logistics park ("Agricultural Logistics Park") located in Wuyishan City, Fujian Province of the PRC. Pursuant to the MOU, the HK Company will procure a company incorporated in the PRC ("PRC Company"), which is principally engaged in the consultation on business investment, marketing and exhibition and management and operation of agricultural products wholesale market, to negotiate with the Subsidiary for the establishment of the Agricultural Logistics Park with a view to enter into a formal cooperation agreement between the PRC Company and the Subsidiary ("Cooperation Project"). Details of the MOU were set out in the Company's announcement dated 8 August 2013. It is believed that the MOU and, if materialised, the Cooperation Project is a step further towards the development of the Group's business in the logistics industry.

The Group will take possible opportunities in the financial markets to raise funds to facilitate the current business operations, the Company's future business development and to improve the Company's working capital.

## **CORPORATE GOVERNANCE PRACTICES**

It is a continuing commitment of the Board and the management of the Company to maintain a high standard of corporate governance practices and procedures to safeguard the interests of the shareholders and enhance the performance of the Group. The Company has adopted and applied the principles as set out in Appendix 14 to the Listing Rules.

Throughout the period of six months ended 30 June 2013, the Company has complied with the code provisions set out in Appendix 14 to Listing Rules save as specified and explained below:

### **Code Provision A.2.1**

The position of chief executive of the Company (the "CE") has remained vacant since March 2009 and the duties of the CE have been performed collectively by the executive Directors. The Board considered that the vacancy of the position of CE did not cast any material impact on the operations of the Group but should a candidate with suitable knowledge, skill and experience be identified, the Company will make the appointment accordingly.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Chan Chi Yuen (Chairman), Mr. Zhang Xi and Professor Sit Fung Shuen, Victor.

The unaudited consolidated results of the Group for the six months ended 30 June 2013 have been reviewed by the Audit Committee.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

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

Hong Kong, 23 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*