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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF VESSEL — M/V TREMONIA

The Board is pleased to announce that on 29 October 2013 (after trading hours), Asia Energy INC. entered into a MOA with the Seller in relation to the acquisition of M/V Tremonia for a total cash Consideration of US\$8,000,000 (equivalent to approximately HK\$62,240,000).

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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MOA

Date: 28 October 2013 (being the date on which the Seller signed the MOA separately in Germany. Due to the time difference and transmission delay, the Buyer acknowledged the MOA signed by the Seller on 29 October 2013.)

Parties: (i) Seller: Bulk Canada Unternehmensbeteiligungsgesellschaft mbH & Co. KG
(ii) Buyer: Asia Energy INC.

To the best of Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of and not connected to the Company, the Directors and their respective connected persons.

Pursuant to the MOA, the Buyer agreed to acquire and the Seller agreed to dispose of M/V Tremonia with carrying capacity of approximately 28,000 dwt at the Consideration.

Consideration

The Consideration for the Acquisition is US\$8,000,000 (equivalent to approximately HK\$62,240,000) and shall be payable by the Buyer to the Seller in the following manner:

- (1) The Deposit (equivalent to 10% of the Consideration) shall be paid within three (3) Banking Days from the later of (i) the MOA and the Novation Agreement having been executed by the parties thereto and (ii) the Joint Account having been opened; and
- (2) The balance of the Consideration (equivalent to 90% of the Consideration) free of bank charges shall be paid to a bank account nominated by the Seller not later than three (3) Banking Days after the delivery of M/V Tremonia.

It is intended that the Consideration will be funded by proceed from the Placing and internal resources of the Group.

The Consideration was arrived at after arm's length negotiations between the Buyer and the Seller with reference to the market research and analysis of comparable size and year of build of similar vessels in the market. The Directors consider the terms and conditions of the Acquisition to be fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

Delivery of M/V Tremonia

M/V Tremonia is to be delivered between 11 November 2013 and 20 November 2013 and the Buyer has an option to terminate the MOA if the delivery of M/V Tremonia does not take place by 10 December 2013.

The Directors currently expect that delivery of M/V Tremonia will take place on or before 20 November 2013.

Condition Precedent

The MOA shall only become effective subject to the Novation Agreement having been entered into by the Seller, the Buyer and the Charterer on or before 30 October 2013. In the event that the Novation Agreement have not been entered into by 30 October 2013, the MOA shall become void and shall have no effect whatsoever.

INFORMATION ON M/V TREMONIA

M/V Tremonia is a bulk carrier vessel with carrying capacity of approximately 28,000 dwt. It is a bareboat registered under the flag of Liberia with underlying registry being Germany and was inspected by 360 Marine Pte Ltd..

INFORMATION ON THE SELLER

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller is a company incorporated in Germany with limited liability and is principally engaged in the business of vessel chartering.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the (i) railway construction and operations and (ii) shipping and logistics business. In May 2010, the Group diversified its business into the dry bulk shipping industry by acquiring the entire interest in a company which is interested in a joint venture company engaging in the investment in ship management, dry bulk carrier chartering and operation.

The Board considers that the Acquisition enables the Company to expand the scope of its shipping business operations by utilising its relevant experience and expertise. In addition, the charter of M/V Tremonia will increase the revenue stream of the Company.

LISTING RULES IMPLICATION

As the relevant percentage ratio calculated in accordance with the Chapter 14 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of M/V Tremonia by the Buyer from the Seller subject to and upon the terms and conditions of the MOA
“Asia Energy INC.” or “Buyer”	Asia Energy INC., Liberia, incorporated in Liberia with limited liability and is a wholly owned subsidiary of the Company
“Banking Days”	a day on which banks are open in Hamburg and Frankfurt, Germany, New York, United States of America, and Hong Kong for business
“Board”	the board of Directors
“Charterer”	Charterer of the Time Charter dated 26 April 2013
“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 under the Listing Rules
“Consideration”	a total cash consideration of US\$8,000,000 payable by the Buyer to the Seller under the terms of the MOA
“Deposit”	a deposit of 10% of the Consideration
“Director(s)”	the director(s) of the Company
“dwt”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including bunker oil, fresh water, crew and provisions

“Group”	the Company and its subsidiaries, including the Buyer
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Account”	an interest bearing bank joint account between the Buyer and the Seller with a bank or reputable law firm to be appointed by the Seller
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOA”	the memorandum of agreement dated 28 October 2013 entered into between the Seller and the Buyer in relation to the Acquisition
“M/V Tremonia”	M/V Tremonia, a bulk carrier vessel with carrying capacity of approximately 28,000 dwt and beneficially owned by the Seller as at the date of this announcement
“Novation Agreement”	the novation agreement to be entered into between the Seller, Buyer and the Charterer in relation to the novation of a Time Charter on or before 30 October 2013
“Placing”	the placing of new Shares as disclosed in the announcements of the Company dated 29 August 2013, 5 September 2013 and 25 October 2013 respectively.
“Seller”	Bulk Canada Unternehmensbeteiligungsgesellschaft mbH & Co. KG
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Time Charter”	a time charter by the Seller to the Charterer under the terms and conditions of a time charter agreement dated 26 April 2013
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 29 October 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.