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: 0351)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

RESULTS

The board of directors (the "Board") of Asia Energy Logistics Group Limited announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010, together with the comparative figures for the previous year prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Turnover	*3*	**130,101**	111,687
Other income, gains and losses		**(53,366)**	55,392
Fuel costs		**(69,450)**	(50,342)
Depreciation and amortisation		**(23,939)**	(20,928)
Staff costs		**(33,600)**	(22,072)
Impairment loss on concession intangible assets		**(24,107)**	—
Impairment loss on goodwill		**(27,550)**	—
Change in fair value of contingent consideration payable		**68,804**	—
Change in fair value of the derivative component of convertible bonds		**2,613**	(13,660)
Concession intangible assets maintenance provision		**(9,579)**	(5,970)
Share of profit/(loss) of an associate		**85**	(2)
Other operating expenses		**(52,239)**	(34,960)
Finance costs	*5*	**(15,335)**	(17,914)
(Loss)/profit before income tax	*6*	**(107,562)**	1,231
Income tax credit/(expense)	*7*	**731**	(7,309)
Loss for the year		**(106,831)**	(6,078)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
Other comprehensive income			
Exchange difference arising on translation of financial statements of foreign operations		**22,685**	477
Reclassification of translation differences upon disposal of foreign operations		**2,636**	—
		25,321	477
Total comprehensive income for the year		**(81,510)**	(5,601)
Loss for the year attributable to:			
Owners of the Company		**(102,025)**	(3,925)
Non-controlling interests		**(4,806)**	(2,153)
		(106,831)	(6,078)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(84,213)**	(3,448)
Non-controlling interests		**2,703**	(2,153)
		(81,510)	(5,601)
Loss per share — basic and diluted			
(HK cents per share)	9	**(0.81)**	(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**8,750**	10,058
Concession intangible assets		**330,876**	363,204
Intangible assets		**125,631**	—
Land use rights		**—**	4,572
Construction in progress		**1,062,977**	816,116
Goodwill		**—**	27,312
Investment in associate		**85**	—
Pledged bank deposits		**—**	17,070
Interest in a jointly controlled entity		**15**	—
		1,528,334	1,238,332
Current assets			
Inventories		**4,336**	1,618
Trade and other receivables	*10*	**41,315**	32,515
Trading securities		**125,785**	130,994
Loan to an associate		**37,000**	37,000
Cash and cash equivalents		**564,933**	62,691
		773,369	264,818
Current liabilities			
Trade and other payables	*11*	**94,896**	154,449
Bank loans		**—**	34,140
Amounts due to related companies		**—**	80
Amount due to a shareholder		**439**	441
Amounts due to minority equity owners of subsidiaries		**9,383**	259,230
Tax payable		**6,578**	7,309
		111,296	455,649
Net current assets/(liabilities)		**662,073**	(190,831)
Non-current liabilities			
Bank loans		**1,102,634**	256,050
Contingent consideration payable		**58,096**	—
Provision for maintenance of concession intangible assets		**11,717**	3,436
Convertible bonds		**—**	19,572
		1,172,447	279,058
NET ASSETS		**1,017,960**	768,443
Capital and reserves attributable to owners of the Company			
Share capital		**128,570**	102,570
Reserves		**653,489**	436,056
Equity attributable to owners of the Company		**782,059**	538,626
Non-controlling interests		**235,901**	229,817
TOTAL EQUITY		**1,017,960**	768,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANISATION AND OPERATIONS

Asia Energy Logistics Group Limited (the "Company") is a limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Rooms 1208-1210, Dah Sing Financial Centre, 108 Gloucester Road, Wan Chai, Hong Kong and its principal place of business is located at Unit 1708, level 17, International commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company acts as an investment holding company. Its principal subsidiaries are principally engaged in waste incineration power generation business and railway construction and operations.

The functional currency of the Company is Renminbi ("RMB") while the consolidated and the Company's financial statements are presented in Hong Kong dollars ("HK$"). As the shares of the Company are listed on the Main Board of the Stock Exchange, the directors consider that it will be more appropriate to adopt HK$ as the Group's and the Company's presentation currency.

Previously, the directors considered HK$ as the functional currency of the Company. During the year, the directors reassessed the Company's functional currency and considered that the functional currency of the Company should be changed from HK$ to RMB starting from 1 January 2010 as RMB has become the currency that mainly influences the operation of the Group's significant entities. The change of functional currency of the Company was applied prospectively from the date of change in accordance with HKAS 21 "The Effect of Changes in Foreign Exchange Rates".

2. PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs and the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). They have been prepared under the historical cost convention, as modified for the revaluation of certain financial instruments which have been measured at fair value.

3. TURNOVER

Turnover, which is also revenue, represents the amount received and receivable for waste incineration power generation and waste handling income:

	2010	2009
	HK$'000	*HK$'000*
Waste incineration power generation income	**99,994**	87,382
Waste handling income	**30,107**	24,305
	130,101	111,687

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has two reportable segments in 2010 (2009: two). The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

— Waste incineration power generation business
— Railway construction and operations

The following tables present information regarding revenue, profit or loss, assets and liabilities for each reportable segment:

	2010	2009
	HK$'000	*HK$'000*
Segment revenue from external customers		
Waste incineration power generation business	**130,101**	111,687
Railway construction and operations	**—**	—
	130,101	111,687
Segment (loss)/profit		
Waste incineration power generation business	**(32,630)**	3,184
Railway construction and operations	**(11,415)**	(1,812)
	(44,045)	1,372
Share of profit/(loss) of an associate	**85**	(2)
Impairment loss on jointly controlled entity	**(242)**	—
Finance costs	**(117)**	(1,849)
Impairment loss on goodwill	**(27,550)**	—
Unallocated corporate income and expenses (net)	**(35,693)**	1,710
(Loss)/profit before income tax	**(107,562)**	1,231
Segment assets		
Waste incineration power generation business	**364,425**	358,426
Railway construction and operations	**1,569,655**	869,185
Intangible assets	**125,631**	—
Trading securities	**125,785**	130,994
Loan to an associable	**37,000**	37,000
Unallocated corporate assets	**79,207**	107,545
	2,301,703	1,503,150
Segment liabilities		
Waste incineration power generation business	**294,115**	325,029
Railway construction and operations	**918,173**	394,118
Contingent consideration payable	**58,096**	—
Unallocated corporate liabilities	**13,359**	15,560
	1,283,743	734,707

5. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings:		
wholly repayable within one year	**10,350**	—
wholly repayable after two years but within five years	**15,218**	20,218
wholly repayable after five years	**8,514**	—
Imputed interest on convertible bonds	**114**	1,633
Bank overdraft interest	**3**	215
Other finance cost	**—**	128
Total borrowing costs	**34,199**	22,194
Less: Amount capitalised in construction in progress on specific borrowings	**(18,864)**	(4,280)
	15,335	17,914

6. (LOSS)/PROFIT BEFORE INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
(Loss)/profit before income tax is arrived at after charging/(crediting):		
Amortisation of concession intangible assets	**19,295**	19,129
Depreciation of property, plant and equipment	**3,327**	1,717
Amortisation of intangible assets	**1,269**	—
Amortisation of land use rights	**48**	82
	23,939	20,928
Staff costs, including directors' remunerations:		
Salaries, wages and other benefits	**32,450**	21,310
Equity-settled share-based payment expenses	**—**	4
Contributions to defined contribution retirement scheme	**1,150**	758
	33,600	22,072
Net loss/(gain) on trading securities	**59,904**	(47,218)
Auditor's remuneration	**1,585**	1,132
Loss on disposal of property, plant and equipment	**25**	258
Operating lease rentals in respect of land and buildings	**4,950**	2,834

7. INCOME TAX

(a) Hong Kong profits tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profits for the year. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

(b) The income tax (credit)/expense for the year can be reconciled to the accounting (loss)/profit as follows:

	2010	2009
	HK$'000	*HK$'000*
(Loss)/profit before income tax	**(107,562)**	1,231
Taxation calculated at PRC enterprise income tax rate of 25%	**(26,891)**	308
Tax effect of expenses not deductible for taxation purpose	**22,322**	4,850
Tax effect of non-taxable items	**(12,749)**	(70)
Tax effect of unrecognised tax losses and temporary differences	**13,601**	2,447
Overprovision in prior years	**(731)**	—
Differential tax rate	**3,717**	(226)
Income tax (credit)/expense for the year	**(731)**	7,309

8. DIVIDENDS

No dividend was paid or declared by the Company during the year ended 31 December 2010 (2009: Nil).

The directors do not recommend the payment of any dividend for 2010 (2009: Nil).

9. LOSS PER SHARE

(a) The calculation of basic loss per share attributable to owners of the Company is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(102,025)**	(3,925)

(b) Weighted average number of ordinary shares

The weighted average number of ordinary shares in issue during the year ended 31 December 2010 was 12,624,150,388 (2009: 8,879,218,881).

	2010	2009
Basic loss per share (HK cents)	**(0.81)**	(0.04)

(c) Diluted loss per share was not presented for both years as the potential ordinary shares and contingent considerate shares are anti-dilutive.

(d) The consolidated loss attributable to equity owners of the Company includes a loss of HK$59,551,000 (2009: loss of HK$23,902,000) which has been dealt with in the financial statements of the Company.

10. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**14,585**	16,853
Other receivables	**62,630**	93,406
Less: Allowance for doubtful debts	**(35,900)**	(77,744)
Other receivables, net	**26,730**	15,662
	41,315	32,515

10. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group normally allows an average credit period of 30 days to its trade customers. The ageing analysis of trade receivables as at the reporting date is as follows:

	2010	2009
	HK$'000	*HK$'000*
Trade receivables		
0 to 30 days	**14,585**	16,853
Over 30 days	**—**	—
	14,585	16,853

11. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables as at the end of reporting period is as follows:

	2010	2009
	HK$'000	*HK$'000*
Trade payables — current and up to 30 days	**13,049**	21,517
Construction cost payables	**56,393**	97,287
Other payables	**25,454**	35,645
	94,896	154,449

BUSINESS REVIEW

The Company is an investment holding company whose subsidiaries are principally engaged in municipal solid waste incineration power generation business and railway construction and operations. Plans to diversify the business to dry bulk shipping took a step forward with the purchase and operation of two 35,000 metric tonne vessels through a joint venture (the "JV Company") formed between the Group and Waibert Navigation Company Limited ("Waibert") in 2010 and 2011 respectively. With the construction of Zunxiao Railway likely to be completed before the end of 2011, this year will be both exciting and challenging for the Company.

Railway Construction and Operations

In July 2009, the Group expanded its business into railway construction and operations through the acquisition of 70% equity interest in Gofar Holdings Limited ("Gofar"). On 11 February 2010, the Group acquired the remaining 30% equity interest in Gofar. Gofar indirectly holds 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 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").

The railway under construction is a 121.7 km single-track railway connecting 2 major municipalities in Hebei Province (河北省), namely, Tangshan City (唐山市) and Chengde City (承德市) ("Zunxiao Railway"). Starting from Zunhua South (遵化南), Tangshan City (唐山市), and ending at Xiaosigou (小寺溝), Chengde City (承德市), Zunxiao Railway passes through important mining areas in Hebei Province (河北省). Altogether there are 12 stations along Zunxiao Railway.

The construction of Zunxiao Railway was originally scheduled to be completed by the end of 2010. However, due to a delay in the processing of the major loan facility of RMB1.033 billion, the completion of the construction has been delayed to the end of 2011. It is estimated that construction costs will amount to approximately RMB1.6 billion.

To meet the financial commitments in this business segment, Zunxiao Company, Kuanping Company and Tangcheng Company each entered into conditional loan agreements (collectively, the "Loan Agreements") on 1 November 2010 with 中國民生銀行股份有限公司 (China Minsheng Banking Corp., Limited) (the "Bank") in respect of loan facilities in aggregate of up to RMB1.033 billion for a 10-year term. These loans will be utilized to finance the construction of the Zunxiao Railway project. As disclosed in the circular of the Company dated 17 November 2010, the Loan Agreements are guaranteed by Golden Concord Holdings Limited ("GCL", a company incorporated in Hong Kong with limited liability which is beneficially owned by Mr. Zhu Gongshan, a director of various subsidiaries of the Company and also a shareholder of the Company). In addition, on 1 November 2010, China Railway Logistic Holdings Limited, a wholly-owned subsidiary of the Company and GCL entered into the guarantee agreement (the "Guarantee Agreement") in respect of the Loan Agreements. The requisite shareholders' approval for the Guarantee Agreement was subsequently obtained at the extraordinary general meeting of the Company held on 3 December 2010.

As Zunxiao Railway has yet to commence operation, no revenue has been recognized by each of Kuanping Company, Zunxiao Company and Tangcheng Company since their respective establishment in this business segment during the reporting period.

Shipping and Logistics Business

Following the completion of the acquisition of the entire equity interest in Ocean Jade Investments Limited ("Ocean Jade") on 19 May 2010, the Group has further diversified its business into the dry bulk shipping industry.

Pursuant to a shareholders' agreement dated 1 December 2009 (as amended by a supplemental agreement also dated 1 December 2009) (collectively, the "JV Agreement") between Ocean Jade and Waibert, the JV Company was formed with the aim to, *inter alia*, procure the business of (a) investment in ships assets (dry bulk carriers); and (b) providing coal shipment services for a power plant (the "COA Provider") located in Jiangsu Province (江蘇省), the PRC. Waibert, a wholly-owned subsidiary of Guangdong Province Navigation Holdings Company Limited ("GPNHC") (one of the key provincial government-owned enterprises), is principally engaged in ship management, dry bulk carrier chartering and operation.

On 30 March 2010, a contract of affreightment (運輸合同) (the "Contract of Affreightment") was entered into between the JV Company and the COA Provider for the provision of coal shipment services by the JV Company to the COA Provider.

Under the JV Agreement, the JV Group acquired two Handy-size vessels (each about - 35,000 metric tonne deadweight, hereinafter referred to as the "First Vessel" and the "Second Vessel") 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.

Further, due to the then prevailing market conditions, Ocean Jade and Waibert agreed to extend the deadline for the acquisition of the other two vessels (either Panamax or Supramax type) (the "Third Vessel" and the "Fourth Vessel", respectively) as mentioned in the JV Agreement to 30 June 2011.

Under the Contract of Affreightment, the COA Provider shall provide full employment with its own coal cargo throughout the life span of the First Vessel and the Second Vessel.

As the First Vessel began operation in September 2010 and the Second Vessel in February 2011, the contribution from this business segment was minimal in 2010.

Waste Incineration Power Generation

During the period under review, the turnover of our waste incineration power plant in the PRC was approximately HK$130,101,000, representing an increase of approximately 16.49% as compared with that of last year.

On 11 February 2010, Palace View International Limited ("Palace View"), a wholly-owned subsidiary of the Company, renewed the operation consultation agreement dated 13 February 2009 (the "First Operation Consultation Agreement") with 上海保利協鑫電力運行管理有限公司 (Shanghai GCL-Poly Electricity Operating Management Co. Ltd.#) ("Shanghai GCL") for a further term of one year (the "Second Operation Consultation Agreement").

Under the Second Operation Consultation Agreement, Shanghai GCL agreed to continue providing consultation services with respect to the operation of the municipal solid waste incineration power plant owned by 東莞中科環保電力有限公司 (Dongguan China Sciences Conservational Power Limited#) ("Dongguan CSCP"), an indirect wholly-owned subsidiary of Palace View.

As was the case with the First Operation Consultation Agreement, the Second Operation Consultation Agreement constituted a continuing connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and details of which have been set out in the Company's announcement dated 12 February 2010.

PROSPECTS

The acquisition of Gofar diversified and intensified the Company's involvement in the development of infrastructure projects in the PRC. Upon completion of the construction of the Zunxiao Railway and the obtaining of all necessary permits from the PRC governmental authorities, which is expected to be at the end of 2011, the railway will commence operation. Should there be heavy demand on Zunxiao Railway, the Company may consider expanding Zunxiao Railway from a single-track railway to a double-track railway to further increase its transportation capacity.

The major revenue of Zunxiao Railway will arise from the carriage of natural resources (coal, iron ore powder, etc.). The other revenues of Zunxiao Railway will include charges for cargo loading and/or unloading services, charges for storage services of goods.

On 13 January 2011, Zunxiao Company, Kuanping Company and Tangcheng Company entered into a non-legally binding memorandum of understanding (the "Memorandum") with China Railway Leasing Corporation Limited ("CRLC"), an independent third party, in relation to, among others, the establishment of a business cooperation partnership between the parties to the Memorandum in four major areas of strategic cooperation (the "Cooperation Project") with respect to (i) the purchasing, financing and leasing services for various facilities, equipment and accessories for railway construction and operations in the PRC; (ii) the further cooperation on the project development and operation of the self-owned rail wagon chartering services; (iii) the cooperation in respect of rail-transport logistics, storage and trading in the PRC; and (iv) introduction of prospective rail-transport business partners by CRLC to Zunxiao Company, Kuanping Company and Tangcheng Company.

CRLC, which was established in February 2006 with its headquarters situate at Pudong, Shanghai, is jointly-owned and funded by the China Railway Materials Commercial Corporation of the PRC and ORIX Corporation of Japan. CRLC was established with the aim of supporting the rapid development of the railway industry of the PRC. CRLC provides professional services for railway equipment and leasing services for railway operations, railway construction, railway production and urban rail transit.

The Memorandum is non-legally binding and that it may or may not lead to the entering into of any formal agreement with respect to the Cooperation Project. The Cooperation Project, if materialized, would provide Zunxiao Company, Kuanping Company and Tangcheng Company with, among others, a stable supply of railway facilities and equipment, reliable services in leasing and project financing, secured support in various logistical aspects in relation to rail-transport, and possible new railway related business, all of which are vital for the further development of the Group's business in the railway construction and operations in the PRC.

In respect of the Group's shipping and logistic business, after the delivery of the First Vessel and the Second Vessel as reported under the section headed "Business Review" above, the Company expects to take delivery of the Third Vessel and the Fourth Vessel in the first half of 2011. The Third Vessel and Fourth Vessel will also be bare-boat chartered to GNG Ocean Shipping Co. Ltd, a state-owned enterprise and a wholly owned subsidiary of GPNHC. As it may take some time for application for dual flag registration in the PRC to complete, these two vessels will be chartered in the international market for the first year after their respective acquisition pending the outcome of the application. Upon obtaining the relevant license, the Third Vessel and the Fourth Vessel will be able to perform chartering out business in both the international market and the PRC domestic market and the board of directors of the JV Company will determine as to which market these two vessels shall enter.

Both the Group and Waibert agreed that investment in dry bulk carriers will be one of the main business operations of the JV Company and all Vessels to be acquired shall be of the type, design and age reasonably suitable to perform the function of domestic and international coal cargo shipment for the COA Provider in order to enhance the business synergy between the JV Company and the COA Provider so as to ensure full employment of the Vessels as well as to maximize the effectiveness of the ocean shipping costs of the coal cargo of COA Provider.

It is also contemplated that the JV Company will seek to acquire further vessels if market conditions are favourable in order to increase its maximum transportation volume and mutual consent and approval should be obtained from the JV Shareholders in respect of the purchase, acquisition, price and model of the Vessels. Moreover, in the future, the Company intends to expand its customer base including power plants, steel mills and traders, importers, exporters and/or end users of bulk cargo of raw material and grain in bulk requiring dry bulk shipping services.

The Board will continue to seek other investment opportunities and to explore the feasibility of expanding into other business sectors to diversify the Group's business portfolio so that the Group's profitability and its shareholders' value can be enhanced.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE PRACTICE

It is one of the continuing commitments of the Board and of management of the Company to maintain high standards of corporate governance. The Company has adopted and applied the principles as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules. The Company considers that effective corporate governance makes significant contribution to corporate success and enhancement of shareholder value.

Throughout the year ended 31 December 2010, the Company has complied with the CG Code, save for the exceptions specified and explained below:

Code Provision A.2.1

The post of Chief Executive Officer ("CEO") has remained vacant since March 2009. The duties of CEO have been performed by other executive Directors of the Company. As there exists a clear division of responsibilities of each Director in the Group, the vacancy of the CEO position did not have any material impact on the operation of the Group. However, the Board will keep reviewing the current structure from time to time. If a candidate with suitable knowledge, skill and experience is identified, the Company will make an appointment to fill the post of CEO as appropriate.

Code Provision A.4.1

All existing Non-executive Directors do not have a specific term of appointment but are subject to retirement by rotation and re-election pursuant to the Company's Articles of Association ("the Articles"). According to the Articles, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established with written terms of reference in compliance with the Listing Rules. The main purpose of the audit committee is to review and provide supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors of the Company. The Audit Committee has reviewed and approved the financial statements for the year ended 31 December 2010.

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

Hong Kong, 30 March 2011

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), Ms. Sun Wei and Mr. Tse On Kin; and the independent non-executive directors of the Company are Mr. Chan Chi Yuen, Mr. Zhang Xi and Professor Sit Fung Shuen, Victor.

 # For identification purposes only