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)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTIONS AND RESUMPTION OF TRADING

Reference is made to the announcement of the Company dated 14 January 2014 in relation to, among other things, the potential realisation of an investment of the Company.

THE DISPOSAL AGREEMENTS

The Board wishes to announce that on 14 February 2014 (after trading hours on the Stock Exchange), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Disposal Agreements for the transfer of the Relevant Interests.

Pursuant to the Disposal Agreements, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Relevant Interests at the aggregate consideration of RMB433,270,000. The Consideration shall be satisfied by the Purchaser in cash. The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account, among other things, (i) the assets appraisal reports prepared by an independent valuer, valuing the Appraised NAV of approximately RMB887 million as at 30 November 2013; (ii) the attributable value of the Relevant Interests; (iii) a discount of around 7% to the Appraised NAV as requested by the Purchaser which serves as inducement for the Purchaser to take up future commitment; (iv) the attributable value of the retained interests in Zunxiao Company and Kuanping Company; and (v) the construction progress of the Zunxiao Railway, the financial performance, the Group's total investment portfolio and the business prospect of the Target Companies, details of which are set out in the paragraph headed "Information on the Target Companies" in this announcement.

Following Completion, the Target Companies will cease to be subsidiaries of the Company and their respective assets and liabilities and profits and losses will no longer be consolidated into the financial statements of the Company while the Company will account for the remaining 9.48% equity interest in Zunxiao Company and 9.48% equity interest in Kuanping Company held by the Vendor as long-term equity investments in its financial statements.

Based on (i) the Consideration of approximately RMB433.2 million; (ii) the proportionate amount of the Interim NAV of approximately RMB265.5 million as at 30 June 2013; and (iii) the currently estimated professional fees and other expenses of approximately RMB46.5 million, it is expected that, upon Completion, for illustration purpose only, a gain on the Disposals of approximately RMB121.2 million will be recognised (subject to audit). The net proceeds from the Disposals (after deducting PRC tax and expenses attributable to the Disposals) are estimated to be approximately RMB386.7 million, which are expected to be applied as to (i) approximately RMB146.6 million to finance the acquisition of two Panamax vessels by the JV Group at an estimated price between RMB122.2 million and RMB146.6 million (the difference will be financed by bank borrowing); (ii) approximately RMB73.3 million for the acquisition of a secondhand Handysize vessel by the Group; and (iii) for the general working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios in respect of the Disposals exceed 75%, the Disposals constitute a very substantial disposal for the Company under Rule 14.06 of the Listing Rules. Besides, as the Purchaser is a substantial shareholder of Zunxiao Company and Kuanping Company, the Purchaser is a connected person of the Company. Accordingly, the Disposals also constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the Independent Shareholders' approval at the EGM.

The EGM will be convened and held to consider, if thought fit, to approve the Disposal Agreements and the transactions contemplated thereunder.

An Independent Board Committee has been established by the Company to provide recommendations to the Independent Shareholders on the terms of the Disposal Agreements. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further information about the Disposals and the transactions contemplated under the Disposal Agreements; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM, is expected to be despatched to the Shareholders on or before 24 March 2014.

As Completion is subject to the fulfilment of the conditions precedent as set out in the Disposal Agreements, the Disposals may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 17 February 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 3 March 2014.

Reference is made to the announcement of the Company dated 14 January 2014 in relation to, among other things, the potential realisation of an investment of the Company.

THE DISPOSAL AGREEMENTS

The Board wishes to announce that on 14 February 2014 (after trading hours on the Stock Exchange), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Disposal Agreements for the transfer of the Relevant Interests. Particulars of the Disposal Agreements are as follows:

The Disposal Agreements comprise the Zunxiao Agreement, the Kuanping Agreement and the Tangcheng Agreement, particulars of which are set out below:

The Zunxiao Agreement

Date: 14 February 2014

Parties:

(a) 河北建投交通投資有限責任公司 (transliterated as Hebei Construction, Transportation and Investment Co., Ltd.*), as the Purchaser

(b) China Railway Logistic Holdings Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor

As at the date of this announcement, the Purchaser held approximately 12.5% equity interest in Zunxiao Company and Kuanping Company. Accordingly, the Purchaser is a substantial shareholder of Zunxiao Company and Kuanping Company and a connected person of the Company.

Assets to be disposed of

Subject to and upon the terms and conditions of the Zunxiao Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase from the Vendor the Zunxiao Interests, being 53.02% equity interest in Zunxiao Company.

Consideration

The Zunxiao Consideration of RMB176,393,000 shall be payable by the Purchaser to the Vendor in cash in the following manner:

(i) RMB52,917,900 (representing 30% of the Zunxiao Consideration) shall be paid within five Business Days after the Effective Date;

(ii) RMB35,278,600 (representing 20% of the Zunxiao Consideration) shall be paid within five Business Days after completion of the registration of the transfer of the Zunxiao Interests to the Purchaser by the relevant department in charge of industry and commerce;

(iii) RMB52,917,900 (representing 30% of the Zunxiao Consideration) shall be paid on the day falling eighteen months after the Effective Date; and

(iv) RMB35,278,600 (representing 20% of the Zunxiao Consideration) shall be paid on the day falling thirty months after the Effective Date.

The Zunxiao Consideration was arrived at after arm's length negotiations between the parties to the Zunxiao Agreement after taking into account, among other things, (i) assets appraisal reports prepared by an independent valuer, valuing the net asset value of Zunxiao Company at approximately RMB378 million as at 30 November 2013, valuing the net asset value of Kuanping Company at approximately RMB208 million as at 30 November 2013 and valuing the net asset value of Tangcheng Company at approximately RMB301 million as at 30 November 2013; (ii) the attributable value of the Relevant Interests; (iii) a discount of around 7% to the Appraised NAV as requested by the Purchaser which serves as inducement for the Purchaser to take up future commitment; (iv) the attributable value of the retained interests in Zunxiao Company and Kuanping Company; and (v) the construction progress of the Zunxiao Railway, the financial performance, the Group's total investment and business prospects of Zunxiao Company, details of which are set out in the paragraph headed "Information on the Target Companies" below.

Conditions

The Zunxiao Completion shall be subject to fulfilment of the following conditions:

(i) the Vendor having obtained the relevant approvals or authorisations for the transfer of the Zunxiao Interests contemplated under the Zunxiao Agreement in accordance with the applicable laws and its articles of association, including the obtaining by the Company of the Independent Shareholders' approval at the EGM;

(ii) the Purchaser having obtained the relevant approvals or authorisations for the transfer of the Zunxiao Interests contemplated under the Zunxiao Agreement in accordance with the applicable laws and its articles of association;

(iii) the Vendor having obtained the waiver of pre-emption rights over the Zunxiao Interests from the other shareholders of Zunxiao Company; and

(iv) the competent department in charge of commerce having approved the transfer of the Zunxiao Interests to the Purchaser pursuant to the Zunxiao Agreement.

Although the Disposal Agreements are not inter-conditional on each other, in view that the subject assets under the Disposal Agreements are the Zunxiao Railway, it is agreed between the Vendor and the Purchaser that the completion of the Disposal Agreements would take place or lapse as a whole.

Completion

The Zunxiao Completion shall take place on the business day after the fulfillment of the last of the conditions as mentioned above. Immediately after the Zunxiao Completion, the Purchaser will own 65.52% equity interest in Zunxiao Company and the Company will indirectly own 9.48% equity interest in Zunxiao Company.

Termination

The Vendor or the Purchaser may terminate the Zunxiao Agreement by notice in writing served on the other party upon the occurrence of any of the following events:

(a) if the Zunxiao Agreement cannot be implemented due to force majeure, either party may terminate the Zunxiao Agreement;

(b) if the Zunxiao Agreement cannot be implemented due to default by any party, the party not in default may terminate the Zunxiao Agreement;

(c) if the Zunxiao Agreement cannot be implemented due to incapacity of any party arising from its bankruptcy, dissolution or revocation under the relevant laws and regulations, the party not subject to such incapacity may terminate the Zunxiao Agreement; and

(d) if the competent department in charge of commerce has not approved the Zunxiao Agreement within six months after the signing thereof, either party may terminate the Zunxiao Agreement, provided that if the Zunxiao Agreement is in the midst of approval by the competent department in charge of commerce at that time, then both parties may extend the abovementioned period for a further six months.

Vendor's Indemnity

Prior to the Vendor's investment in the Zunxiao Railway, Hebei Development and Reform Commission (河北省發展和改革委員會) has approved the investment and development of the Zunxiao Railway in two sections, namely, the Tangshan section and the Chengde section, by two project companies. At the time when the Vendor commenced investment into the Zunxiao Railway, the Tangshan and Chengde Government (唐山市及承德市政府) and Hebei Development and Reform Commission (河北省發展和改革委員會) have confirmed that the Zunxiao Railway would be constructed in three sections and the investment capital by the Vendor would be injected into three project companies. At the request of the Purchaser, the Vendor has given an undertaking in the Zunxiao Agreement to compensate the Purchaser should the Purchaser encounter any actual obstacles in respect of the investments in construction, overall operation and working capital to the Zunxiao Railway resulting from the previous approval, investment and construction of the Zunxiao Railway in three sections by three project companies. Such undertaking given by the Vendor to the Purchaser under the terms of the Zunxiao Agreement shall be valid for three years from the Effective Date.

Release of guarantees and pledges

Zunxiao Company has obtained the Zunxiao Facilities from the Bank. The Zunxiao Facilities are currently secured by a corporate guarantee given by Golden Concord to the Bank as well as a corporate guarantee up to the maximum amount of RMB260 million given by the Vendor to the Bank in proportion to its equity interest in Zunxiao Company. In consideration of the provision of the aforesaid corporate guarantee by Golden Concord to the Bank, Zunxiao Company has pledged certain of its assets to Golden Concord and the other shareholders of Zunxiao Company have pledged their respective equity interests in Zunxiao Company to Golden Concord. Further details of the above financial assistance given by Golden Concord to Zunxiao Company (among others) have been disclosed in the circular of the Company dated 17 November 2010. The Vendor and the Purchaser have undertaken to complete the following matters within three months after the Effective Date:

(a) the Vendor and the Purchaser will provide joint and several guarantees to the Bank in proportion to their respective equity interests in Zunxiao Company after the Zunxiao Completion;

(b) the joint and several guarantees given by the other shareholders of Zunxiao Company to the Bank will remain unchanged;

(c) the aforesaid corporate guarantee given by Golden Concord to the Bank will be released;

(d) the aforesaid corporate guarantee given by the Vendor to the Bank will be released;

(e) the aforesaid pledge of assets given by Zunxiao Company to Golden Concord will be released; and

(f) the aforesaid pledges of equity interests given by the other shareholders of Zunxiao Company to Golden Concord will be released.

The Kuanping Agreement

Date: 14 February 2014

Parties:

(a) 河北建投交通投資有限責任公司 (transliterated as Hebei Construction, Transportation and Investment Co., Ltd.*), as the Purchaser

(b) China Railway Logistic Holdings Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor

Assets to be disposed of

Subject to and upon the terms and conditions of the Kuanping Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase from the Vendor the Kuanping Interests, being 53.02% equity interest in Kuanping Company.

Consideration

The Kuanping Consideration of RMB101,583,000 shall be payable by the Purchaser to the Vendor in cash in the following manner:

(i) RMB30,474,900 (representing 30% of the Kuanping Consideration) shall be paid within five Business Days after the Effective Date;

(ii) RMB20,316,600 (representing 20% of the Kuanping Consideration) shall be paid within five Business Days after completion of the registration of the transfer of the Kuanping Interests to the Purchaser by the relevant department in charge of industry and commerce;

(iii) RMB30,474,900 (representing 30% of the Kuanping Consideration) shall be paid on the day falling eighteen months after the Effective Date; and

(iv) RMB20,316,600 (representing 20% of the Kuanping Consideration) shall be paid on the day falling thirty months after the Effective Date.

The Kuanping Consideration was arrived at after arm's length negotiations between the parties to Kuanping Agreement after taking into account, among other things, (i) assets appraisal reports prepared by an independent valuer, valuing the net asset value of Zunxiao Company at approximately RMB378 million as at 30 November 2013, valuing the net asset value of Kuanping Company at approximately RMB208 million as at 30 November 2013 and valuing the net asset value of Tangcheng Company at approximately RMB301 million as at 30 November 2013; (ii) the attributable value of the Relevant Interests; (iii) a discount of around 7% to the Appraised NAV as requested by the Purchaser which serves as inducement for the Purchaser to take up future commitment; (iv) the attributable value of the retained interests in Zunxiao Company and Kuanping Company; and (v) the construction progress of the Zunxiao Railway and the financial performance, the Group's total investment and business prospects of Kuanping Company, details of which are set out in the paragraph headed "Information on the Target Companies" below.

Conditions

The Kuanping Completion shall be subject to fulfilment of the following conditions:

(i) the Vendor having obtained the relevant approvals or authorisations for the transfer of the Kuanping Interests contemplated under the Kuanping Agreement in accordance with the applicable laws and its articles of association, including the obtaining by the Company of the Independent Shareholders' approval at the EGM;

(ii) the Purchaser having obtained the relevant approvals or authorisations for the transfer of the Kuanping Interests contemplated under the Kuanping Agreement in accordance with the applicable laws and its articles of association;

(iii) the Vendor having obtained the waiver of pre-emption rights over the Kuanping Interests from the other shareholders of Kuanping Company; and

(iv) the competent department in charge of commerce having approved the transfer of the Kuanping Interests to the Purchaser pursuant to the Kuanping Agreement.

Although the Disposal Agreements are not inter-conditional on each other, in view that the subject assets under the Disposal Agreements are the Zunxiao Railway, it is agreed between the Vendor and the Purchaser that the completion of the Disposal Agreements would take place or lapse as a whole.

Completion

The Kuanping Completion shall take place on the business day after the fulfillment of the last of the conditions as mentioned above. Immediately after the Kuanping Completion, the Purchaser will own 65.52% equity interest in Kuanping Company and the Company will indirectly own 9.48% equity interest in Kuanping Company.

Termination

The Vendor or the Purchaser may terminate the Kuanping Agreement by notice in writing served on the other party upon the occurrence of any of the following events:

(a) if the Kuanping Agreement cannot be implemented due to force majeure, either party may terminate the Kuanping Agreement;

(b) if the Kuanping Agreement cannot be implemented due to default by any party, the party not in default may terminate the Kuanping Agreement;

(c) if the Kuanping Agreement cannot be implemented due to incapacity of any party arising from its bankruptcy, dissolution or revocation under the relevant laws and regulations, the party not subject to such incapacity may terminate the Kuanping Agreement; and

(d) if the competent department in charge of commerce has not approved the Kuanping Agreement within six months after the signing thereof, either party may terminate the Kuanping Agreement, provided that if the Kuanping Agreement is in the midst of approval by the competent department in charge of commerce prior to the expiry of the above-mentioned period, both parties may extend the above-mentioned period for a further six months.

Vendor's Indemnity

Prior to the Vendor's investment in the Zunxiao Railway, Hebei Development and Reform Commission (河北省發展和改革委員會) has approved the investment and development of the Zunxiao Railway in two sections, namely, the Tangshan section and the Chengde section, by two project companies. At the time when the Vendor commenced investment into the Zunxiao Railway, the Tangshan and Chengde Government (唐山市及承德市政府) and Hebei Development and Reform Commission (河北省發展和改革委員會) have confirmed that the Zunxiao Railway would be constructed in three sections and the investment capital by the Vendor would be injected into three project companies. At the request of the Purchaser, the Vendor has given an undertaking in the Kuanping Agreement to compensate the Purchaser should the Purchaser encounter any actual obstacles in respect of the investments in construction, overall operation and working capital to the Zunxiao Railway resulting from the previous approval, investment and construction of the Zunxiao Railway in three sections by three project companies. Such undertaking given by the Vendor to the Purchaser under the terms of the Kuanping Agreement shall be valid for three years from the Effective Date.

Release of guarantees and pledges

Kuanping Company has obtained the Kuanping Facilities from the Bank. The Kuanping Facilities are currently secured by a corporate guarantee given by Golden Concord to the Bank as well as a corporate guarantee up to the maximum amount of approximately RMB149.4 million given by the Vendor to the Bank in proportion to its equity interest in Kuanping Company. In consideration of the provision of the aforesaid corporate guarantee by Golden Concord to the Bank, Kuanping Company has pledged certain of its assets to Golden Concord and the other shareholders of Kuanping Company have pledged their respective equity interests in Kuanping Company to Golden Concord. Further details of the above financial assistance given by Golden Concord to Kuanping Company (among others) have been disclosed in the circular of the Company dated 17 November 2010. The Vendor and the Purchaser have undertaken to complete the following matters within three months after the Effective Date:

(a) the Vendor and the Purchaser will provide joint and several guarantees to the Bank in proportion to their respective equity interests in Kuanping Company after the Kuanping Completion;

(b) the joint and several guarantees given by the other shareholders of Kuanping Company to the Bank will remain unchanged;

(c) the aforesaid corporate guarantee given by Golden Concord to the Bank will be released;

(d) the aforesaid corporate guarantee given by the Vendor to the Bank will be released;

(e) the aforesaid pledge of assets given by Kuanping Company to Golden Concord will be released; and

(f) the aforesaid pledges of equity interests given by the other shareholders of Kuanping Company to Golden Concord will be released.

The Tangcheng Agreement

Date: 14 February 2014

Parties:

(a) 河北建投交通投資有限責任公司 (transliterated as Hebei Construction, Transportation and Investment Co., Ltd.*), as the Purchaser

(b) China Railway Logistic Holdings Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor

Assets to be disposed of

Subject to and upon the terms and conditions of the Tangcheng Agreement, the Vendor has agreed to dispose of and the Purchaser has agreed to purchase from the Vendor the Tangcheng Interests, being 51% equity interest in Tangcheng Company.

Consideration

The Tangcheng Consideration of RMB155,294,000 shall be payable by the Purchaser to the Vendor in cash in the following manner:

(i) RMB46,588,200 (representing 30% of the Tangcheng Consideration) shall be paid within five Business Days after the Effective Date;

(ii) RMB31,058,800 (representing 20% of the Tangcheng Consideration) shall be paid within five Business Days after completion of the registration of the transfer of the Tangcheng Interests to the Purchaser by the department in charge of industry and commerce;

(iii) RMB46,588,200 (representing 30% of the Tangcheng Consideration) shall be paid on the day falling eighteen months after the Effective Date; and

(iv) RMB31,058,800 (representing 20% of the Tangcheng Consideration) shall be paid on the day falling thirty months after the Effective Date.

The Tangcheng Consideration was arrived at after arm's length negotiations between the parties to the Tangcheng Agreement after taking into account, among other things, (i) assets appraisal reports prepared by an independent valuer, valuing the net asset value of Zunxiao Company at approximately RMB378 million as at 30 November 2013, valuing the net asset value of Kuanping Company at approximately RMB208 million as at 30 November 2013 and valuing the net asset value of Tangcheng Company at approximately RMB301 million as at 30 November 2013; (ii) the attributable value of the Relevant Interests; (iii) a discount of around 7% to the Appraised NAV as requested by the Purchaser which serves as inducement for the Purchaser to take up future commitment; (iv) the attributable value of the retained interests in Zunxiao Company and Kuanping Company; and (v) the construction progress of the Zunxiao Railway and the financial performance, the Group's total investment and business prospects of Tangcheng Company, details of which are set out in the paragraph headed "Information on the Target Companies" below.

Conditions

The Tangcheng Completion shall be subject to the fulfilment of the following conditions:

(i) the Vendor having obtained the relevant approvals or authorisations for the transfer of the Tangcheng Interests contemplated under the Tangcheng Agreement in accordance with the applicable laws and its articles of association, including the obtaining by the Company of the Independent Shareholders' approval at the EGM;

(ii) the Purchaser having obtained the relevant approvals or authorisations for the transfer of the Tangcheng Interests contemplated under the Tangcheng Agreement in accordance with the applicable laws and its articles of association;

(iii) the Vendor having obtained the waiver of pre-emption rights over the Tangcheng Interests from the other shareholders of Tangcheng Company; and

(iv) the competent department in charge of commerce having approved the transfer of the Tangcheng Interests to the Purchaser pursuant to the Tangcheng Agreement.

Although the Disposal Agreements are not inter-conditional on each other, in view that the subject assets under the Disposal Agreements are the Zunxiao Railway, it is agreed between the Vendor and the Purchaser that the completion of the Disposal Agreements would take place or lapse as a whole.

Completion

The Tangcheng Completion shall take place on the business day after the fulfillment of the last of the conditions as mentioned above. Immediately after the Tangcheng Completion, the Purchaser will own 51% equity interest in Tangcheng Company and the Company will cease to own any equity interest in Tangcheng Company.

Termination

The Vendor or the Purchaser may terminate the Tangcheng Agreement by notice in writing served on the other party upon the occurrence of any of the following events:

(a) if the Tangcheng Agreement cannot be implemented due to force majeure, either party may terminate the Tangcheng Agreement;

(b) if the Tangcheng Agreement cannot be implemented due to default by any party, the party not in default may terminate the Tangcheng Agreement;

(c) if the Tangcheng Agreement cannot be implemented due to incapacity of any party arising from its bankruptcy, dissolution or revocation under the relevant laws and regulations, the party not subject to such incapacity may terminate the Tangcheng Agreement; and

(d) if the competent department in charge of commerce has not approved the Tangcheng Agreement within six months after the signing thereof, either party may terminate the Tangcheng Agreement, provided that if the Tangcheng Agreement is in the midst of approval by the competent department in charge of commerce prior to the expiry of the said period of six months, both parties may extend such period for a further six months.

Vendor's Indemnity

Prior to the Vendor's investment in the Zunxiao Railway, Hebei Development and Reform Commission (河北省發展和改革委員會) has approved the investment and development of the Zunxiao Railway in two sections, namely, the Tangshan section and the Chengde section, by two project companies. At the time when the Vendor commenced investment into the Zunxiao Railway, the Tangshan and Chengde Government (唐山市及承德市政府) and Hebei Development and Reform Commission (河北省發展和改革委員會) have confirmed that the Zunxiao Railway would be constructed in three sections and the investment capital by the Vendor would be injected into three project companies. At the request of the Purchaser, the Vendor has given an undertaking in the Tangcheng Agreement to compensate the Purchaser should the Purchaser encounter any actual obstacles in respect of the investments in construction, overall operation and working capital to the Zunxiao Railway resulting from the previous approval, investment and construction of the Zunxiao Railway in three sections by three project companies. Such undertaking given by the Vendor to the Purchaser under the terms of the Tangcheng Agreement shall be valid for three years from the Effective Date.

Release of guarantees and pledges

Tangcheng Company has obtained the Tangcheng Facilities from the Bank. The Tangcheng Facilities are currently secured by a corporate guarantee given by Golden Concord to the Bank as well as a corporate guarantee up to the maximum amount of approximately RMB192.8 million given by the Vendor to the Bank in proportion to its equity interest in Tangcheng Company. In consideration of the provision of the aforesaid corporate guarantee by Golden Concord to the Bank, Tangcheng Company has pledged certain of its assets to Golden Concord and the other shareholders of Tangcheng Company have pledged their respective equity interests in Tangcheng Company to Golden Concord. Further details of the above financial assistance given by Golden Concord to Tangcheng Company (among others) have been disclosed in the circular of the Company dated 17 November 2010. The Vendor and the Purchaser have undertaken to complete the following matters within three months after the Effective Date:

(a) the Vendor and the Purchaser will provide joint and several guarantees to the Bank in proportion to their respective equity interests in Tangcheng Company after the Tangcheng Completion;

(b) the joint and several guarantees given by the other shareholders of Tangcheng Company to the Bank will remain unchanged;

(c) the aforesaid corporate guarantee given by Golden Concord to the Bank will be released;

(d) the aforesaid corporate guarantee given by the Vendor to the Bank will be released;

(e) the aforesaid pledge of assets given by Tangcheng Company to Golden Concord will be released; and

(f) the aforesaid pledges of equity interests given by the other shareholders of Tangcheng Company to Golden Concord will be released.

INFORMATION ON THE TARGET COMPANIES

Business of the Target Companies

Zunxiao Company, Kuanping Company and Tangcheng Company are principally engaged in the construction and operation of the Zunxiao Railway. The Zunxiao Railway is a single-track railway with a planned total length of approximately 121.7 kilometers and twelve stations connecting two major municipalities in the Hebei Province (河北省), namely Tangshan City (唐山市) and Chengde City (承德市), the PRC.

Zunxiao Company is engaged in the construction and operation of the section of Kuancheng County, Chengde City (承德市寬城縣), which begins at Tiemenguan Tunnel (鐵門關隧道) and ends at Shifozhuang Tunnel (石佛莊隧道). The total length of the rail in this section is approximately 44 kilometers connecting four stations. Construction of this section began in September 2008 and as at 30 November 2013, over 95% of foundation work (including earthwork, bridges, culverts and tunnels) has been completed, while 32.6 kilometers of the main track have been laid.

Kuanping Company is engaged in the construction and operation of the section of Pingquan County, Chengde City (承德市平泉縣), which begins at Shifozhuang Tunnel (石佛莊隧道) and ends at Xiaosigou Station in Jincheng line, Chengde City (承德市錦承線小寺溝站). The total length of the rail in this section is approximately 24 kilometers connecting four stations. Construction of this section began in September 2008 and as at 30 November 2013, over 95% of the foundation work (including earthwork, bridges, culverts and tunnels) has been completed, while 19.4 kilometers of the main track and 2.5 kilometers of side track have been laid.

Tangcheng Company is engaged in the construction and operation of the section of Tangshan, which begins at South Zunhua Station, Tangzun Railway (唐遵鐵路遵化南站) and ends at Tiemenguan Tunnel (鐵門關隧道), connecting with Kuancheng County, Chengde City (承德市寬城縣). The total length of the rail in this section is approximately 53 kilometers connecting four stations. As at 30 November 2013, Phase I of Tangshan section was completed with 25 kilometers of the main track and 2 kilometers of side track being laid. Approximately 70% of the foundation work (including earthwork, bridges, culverts and tunnels) of Phase II has been completed.

The Zunxiao Railway is nearby the third largest mining area in Northern China and several mineral production complexes. The major revenue of the Zunxiao Railway will arise from the carriage of nature resources exploited in mines in the area and necessary supplies for such complexes. The other revenues of the Zunxiao Railway include charges for cargo loading and/or unloading services, charges for storage services of goods and incomes from the agency services of mineral resources. Due to the delay in the completion of the construction work of the Zunxiao Railway and the increase in the material and labor costs, additional funding of approximately RMB450 million is required. Currently, the Group expects that the construction of the Zunxiao Railway would be completed and begin operation by the end of 2014.

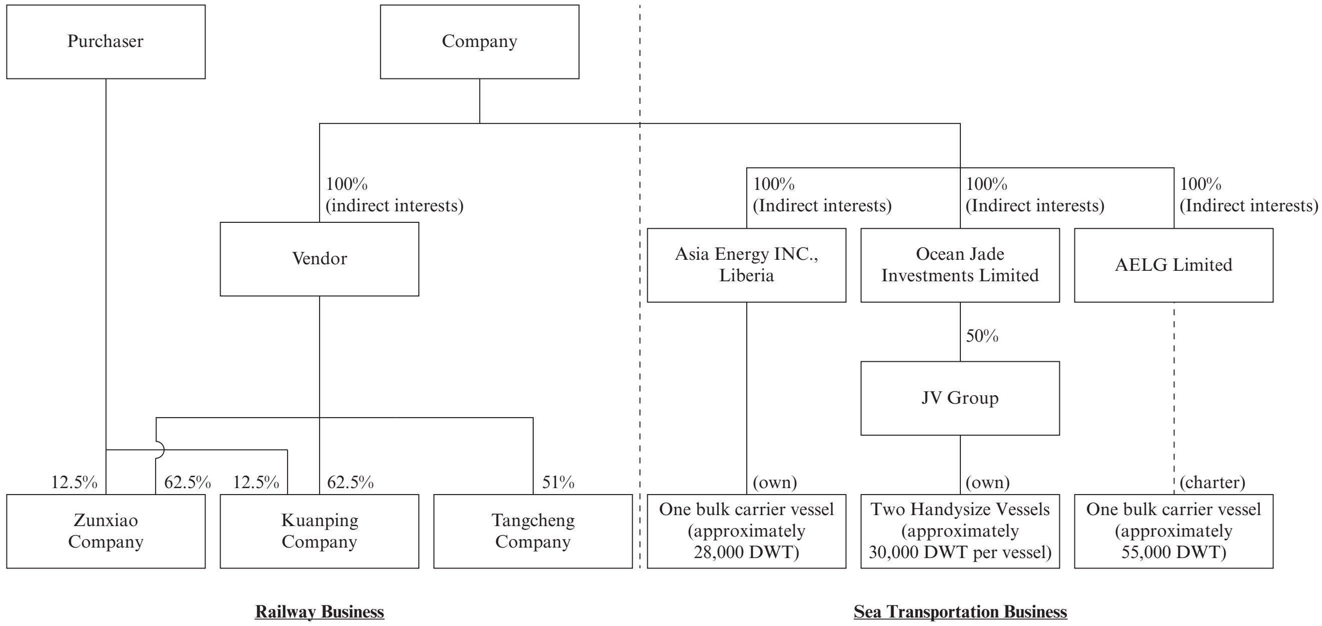
Corporate structure of the Target Companies

Zunxiao Company is a company established in the PRC with limited liability. The registered capital and paid-up capital of Zunxiao Company were both RMB224,000,000 as at the date of this announcement.

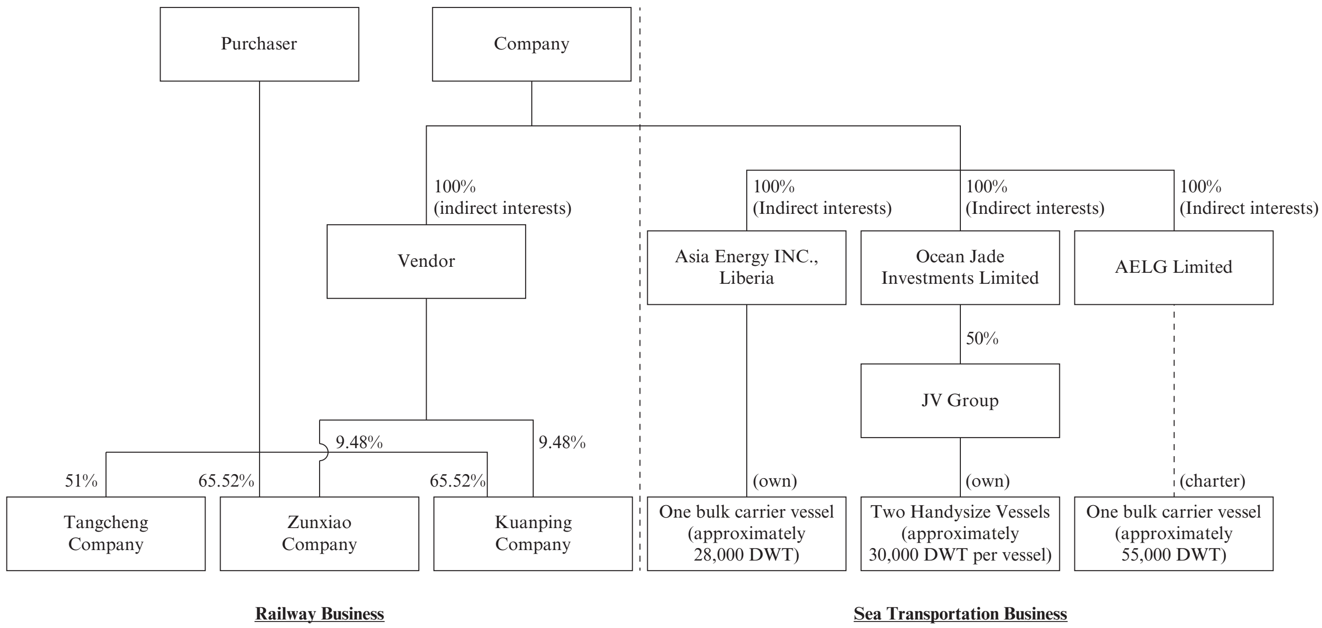
Kuanping Company is a company established in the PRC with limited liability. The registered capital and paid-up capital of Kuanping Company were both RMB129,000,000 as at the date of this announcement.

Tangcheng Company is a company established in the PRC with limited liability. The registered capital and paid-up capital of Tangcheng Company were both RMB205,000,000 as at the date of this announcement.

Set out below is the shareholding structure of the Target Companies as at the date of this announcement:



Set out below is the shareholding structure of the Target Companies upon Completion:



Financial information of the Target Companies

Zunxiao Company

Set out below is the summary of key unaudited financial information of Zunxiao Company for each of the two years ended 31 December 2012 and the six months ended 30 June 2013:

	For the year ended 31 December		For the six months ended 30 June
	2011	**2012**	**2013**
	(unaudited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	0	0	0
(Loss) before taxation	(3,315)	(2,975)	(1,362)
Net (Loss) after taxation	(3,315)	(2,975)	(1,362)

	As at 31 December		As at 30 June
	2011	**2012**	**2013**
	(unaudited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Net asset value	210,394	207,716	206,415

Kuanping Company

Set out below is the summary of key unaudited financial information of Kuanping Company for each of the two years ended 31 December 2012 and the six months ended 30 June 2013:

	For the year ended 31 December		For the six months ended 30 June
	2011	**2012**	**2013**
	(unaudited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	0	0	0
(Loss) before taxation	(2,887)	(2,938)	(1,067)
Net (Loss) after taxation	(2,887)	(2,938)	(1,067)

	As at 31 December		As at 30 June
	2011	**2012**	**2013**
	(unaudited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Net asset value	124,191	121,551	120,545

Tangcheng Company

Set out below is the summary of key unaudited financial information of Tangcheng Company for each of the two years ended 31 December 2012 and the six months ended 30 June 2013:

	For the year ended 31 December		**For the six months ended 30 June**
	2011	**2012**	**2013**
	(unaudited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	0	0	0
(Loss) before taxation	(6,295)	(6,839)	(2,427)
Net (Loss) after taxation	(6,295)	(6,839)	(2,427)

	As at 31 December		**As at 30 June**
	2011	**2012**	**2013**
	(unaudited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Net asset value	189,713	183,030	180,640

Based on the unaudited management accounts of the Company, the aggregate of the unaudited net asset value of the Target Companies was approximately RMB467.6 million and the Appraised NAV was approximately RMB887 million as at 30 November 2013.

INFORMATION ON THE PURCHASER GROUP

The Purchaser is a company established in the PRC with limited liability and it is a state-owned company. According to the 2012 annual report of the Purchaser, the principal activities of the Purchaser includes investing in railways, ports, highway etc. within the Hebei Province, capital operating and undertaking or participating in the feasibility study, invitation for bid, tendering and the provision of consultancy services on the relevant investments. As at the date of this announcement, the Purchaser owned 12.5% equity interest in each of Zunxiao Company and Kuanping Company and is thus a connected person of the Company.

REASONS FOR AND THE BENEFITS OF THE DISPOSALS

The Group is principally engaged in the (i) railway construction and operations; and (ii) shipping and logistics business. The business of railway construction and operations was conducted by the Target Companies which were acquired by the Company in 2009. 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. The joint venture company is principally engaged in ship management and it has a plan to expand its business into the areas of dry bulk carrier chartering and operation in the near future. On 28 October 2013, the Company entered into a memorandum of agreement to acquire a bulk carrier vessel with carrying capacity of approximately 28,000 DWT with a view to expanding the scope of the Group's shipping business operations, utilising the Group's relevant experience and expertise and increasing the revenue stream of the Company.

The construction of the Zunxiao Railway was originally scheduled to be completed by the end of 2010. However, due to a delay in the processing of a major project loan facility of approximately RMB1.0 billion in November 2010 and a delay as a result of land resumption and demolition, the completion of the construction was delayed. Although continuous efforts were made with a view to expediting the construction process, the target completion date of the Zunxiao Railway could not be met. As such, additional resources are required to cover the additional costs attributable to the delay in construction which are currently financed by capital contributions from the shareholders of the Target Companies and bank loans in the ratio of 35% and 65% respectively. However, the Vendor, being a foreign-owned enterprise, is not entitled to the same preferential offer in respect of the loan facilities by the banks in the PRC as the state-owned enterprises are since there is no specific credit rating for foreign-owned enterprise. The Group had financial liabilities comprising principally bank loan and related interest for the construction of the Zunxiao Railway. Based on the latest construction progress report, it was very likely that completion of the construction of the Zunxiao Railway would be further delayed to the end of 2014 and no significant cash inflow will be generated before the completion of the construction. Hence, substantial future capital commitment is expected if the Company continues to provide financial support to the Zunxiao Railway as the controlling shareholder. In addition to the further financial burden, the Vendor encountered requests like subsidizing the cost of integration of and transformation to the state-owned railway for connection of the two ends of the Zunxiao Railway to the national rail. These situations were only able to be resolved after negotiations by Tangshan and Chengde Government (唐山市及承德市政府) for and on behalf of the Vendor. It is expected that the Purchaser can manage these requests and negotiations much easier after they become the major shareholders of the Target Companies upon completion of the Disposals. However, the Company takes an optimistic view of the business prospect of the Zunxiao Railway. The Company believes that with more participation of the Purchaser in the Zunxiao Railway and that the Purchaser may obtain preferential offer in respect of the loan facilities by the local banks, the construction of the Zunxiao Railway will be completed sooner which will in turn benefit the Company.

In view of (i) the uncertainties of the Target Companies in attaining construction completion of the remaining sections of the Zunxiao Railway and their ability to generate sufficient cashflows in the immediate future to finance their daily operations as well as all or part of the construction costs of the remaining sections of the Zunxiao Railway; (ii) any further delay to the construction completion of the Zunxiao Railway will put a severe strain on the limited financial resources of the Group in terms of additional capital contributions from the Group and extra funding required for the payment of loan interest and repayment of loan principal; (iii) the gearing of the Company can be improved if the relevant financial obligation can be reduced and/or discharged as a result of the Disposals; (iv) the more active participation of the Purchaser may facilitate the development of the Zunxiao Railway which will in turn benefit the fellow shareholders of the Target Companies; (v) the Consideration being at a premium over the Group's share of the Interim NAV of the Target Companies as at 30 June 2013; and (vi) the Disposals will allow the Company to realise a substantial portion of its investment in the Target Companies which is unlikely to generate any immediate returns to the Company due to the delay in completion and reallocate such resources to existing or new businesses with better prospects, the Company decided to sell the Relevant Interests. The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser to be appointed by the Company) consider that the terms of the Disposals are fair and reasonable and the terms of the Disposal Agreements and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

THE SEA TRANSPORTATION BUSINESS OF THE GROUP AND USE OF PROCEEDS

As set out in the interim report of the Company for the six months ended 30 June 2013, the global economic uncertainty continued to affect the Group's business. The Company has been actively studying the feasibility of broadening and restructuring its current business and investment portfolios as well as expanding the scope of its business operations. In November 2013, the Company acquired a vessel, M/V Tremonia, with a carrying capacity of approximately 28,000 DWT and it has begun dry bulk shipment charter since December 2013. M/V Tremonia has a time-charter contract which is due to expire between April 2014 and June 2014 (such buffer period is a common practice to accommodate the uncertainty in last voyage before re-delivery). The Company has been actively procuring new contract for M/V Tremonia which is expected to be operated by way of a one to two year time-charter contract. Pursuant to the existing time-charter of M/V Tremonia, the charter hire and related charges are payable by bank transfer every 15 days in advance calculated with reference to the average Baltic Handysize Index rate of the last 15 days prior to the date of payment. Based on the operating data since the beginning of December 2013, the daily charter rate for the Handysize vessel of the Group was in the range of approximately US$8,700 (equivalent to approximately RMB53,200) to US$10,300 (equivalent to approximately RMB62,900). In addition, the Company has chartered in a vessel Jin Yuan with carrying capacity of approximately 55,000 DWT for dry bulk shipment since September 2013. The vessel Jin Yuan currently has a time-charter contract of six to eight months which expires between April and June 2014. The Company also possesses the relevant expertise in its sea transportation business and the biography of the key personnel of the management team is set out below.

Mr. Paul Lee ("Mr. Lee")

Mr. Lee has been working in the shipping industry for more than 30 years. He graduated from Hong Kong Polytechnic with Diploma in Maritime Science in 1980 and started his shipping career as a deck officer on merchant ships (dry bulk carrier, tankers and general cargo ships). Upon obtaining of Chief Officer Certificate of Competency from HK Marine Department in 1987, Mr. Lee joined Wardley Shipping Limited (changed name to HSBC Shipping Services Ltd) in 1994 to build his commercial management skills. Mr. Lee was designated as the director-in-charge of HSBC Shipping Services Ltd HK in 2000. In 2002, Mr. Lee started working as an independent shipping consultant and broker. Mr. Lee joined the Company in 2010 and has been working as the general manager of the shipping division and contributing the Group with his expertise in dry bulk and asset investment.

Mr. Raymond Chan ("Mr. Chan")

Mr. Chan has been working in the shipping industry for more than 20 years. He graduated from Hong Kong Polytechnic with Diploma in Shipping Studies in 1991 and started his shipping career as regional director of HSBC Shipping Services Ltd. In 2012, he left HSBC and became director of RBC Shipping Co. Ltd. which serves as the consultant of the Company since September 2013 and has been offering advice to the Company regarding its dry bulk shipment charter business.

In addition to its own management team, the Company also engages management company to assist in its sea transportation operation.

MSI Ship Management (Qingdao) Co., Ltd. ("MSI"), a subsidiary of IMC Industrial, serves as the manager of M/V Tremonia since November 2013. They provide technical management and technical consultancy for the Company. MSI is a leading company in the shipping industry that provides integrated services in ship and crew management, technical consultancy. They are currently managing a fleet of more than 100 vessels covering a wide variety of vessels and managing a pool of over 2,500 seafarers of which 1,500 are at sea at any one time.

The Company has been conducting a review of its current business operations and financial position with a view to formulating 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 business operations which had not performed well as expected; and to channel and concentrate its resources on business areas which have better future prospects and exploring other business and investment opportunities. The Company will continue to explore the market of ocean-going transportation business and hence expanding its shipping business scope on top of the current dry-bulk shipment business with its relevant experience and management expertise via its vessels and the joint-venture arrangement.

The net proceeds from the Disposals (after deducting PRC tax and expenses attributable to the Disposals) are estimated to be approximately RMB386.7 million, which are expected to be applied towards the acquisition of vessels and general working capital of the Group. Pursuant to the Disposal Agreements, the Consideration will be settled in four installments and it is expected that the Company will have received in or around May 2014 approximately half of the Consideration amounting to approximately RMB175 million, after deducting PRC tax and expenses attributable to the Disposals. The Company intends to expand its shipping business and apply the net proceeds from the Disposals as to (i) approximately RMB73.3 million for the acquisition of a secondhand Handysize vessel by the Group; and (ii) approximately RMB73.3 million to finance the acquisition of a Panamax vessel by the JV Group at an estimated price between RMB122.2 million and RMB146.6 million (the difference will be financed by bank borrowing). The Company expects that the newly acquired vessels will respectively be delivered to the Company and the JV Group by the end of June 2014, subject to the date of the Completion. After receiving the third installment of the Consideration, which is expected to be in the fourth quarter of 2015, the Company will make a further contribution of approximately RMB73.3 million to the JV Group for its acquisition of another Panamax vessel at an estimated price between RMB122.2 million to RMB146.6 million (the difference will be financed by bank borrowing) in fulfillment of the Group's obligation under the JV agreement. The Company also considers hiring additional vessels if the market condition is favourable.

It is the Company's present intention that the net proceeds from the Disposals will be channeled towards the development and expansion of its shipping business. In furtherance of this objective, the Company will identify opportunities in the capital markets and if possible, conduct fundraising activities to support the further growth of its shipping business and capture other lucrative business and investment opportunities which may arise in the future. As at the date of this announcement, the Company has not identified any such business or investment.

FINANCIAL EFFECTS OF THE DISPOSALS

Upon Completion, the Target Companies will cease to be subsidiaries of the Company and their respective profits and losses and assets and liabilities will no longer be consolidated into the financial statements of the Company. The relevant cost of the remaining 9.48% equity interests in Zunxiao Company and 9.48% equity interest in Kuanping Company held by the Vendor will be accounted for as long-term equity investments in the financial statements of the Company.

Earnings

Based on (i) the Consideration of approximately RMB433.2 million; (ii) the proportionate amount of the Interim NAV of approximately RMB265.5 million as at 30 June 2013; and (iii) the currently estimated professional fees and other expenses of approximately RMB46.5 million, it is expected that, upon Completion, for illustration purpose only, a gain on the Disposals of approximately RMB121.2 million will be recognised (subject to audit). Shareholders and potential investors of the Company should note that the actual amount of gain on the Disposals should be calculated on the basis of the relevant figures as at the date of the Completion and therefore would or would not be different from the abovementioned.

Assets and liabilities

Based on the unaudited financial information of the Group and the Target Companies as at 30 June 2013, it is estimated that (i) the total assets of the Company will decrease by approximately 64% and (ii) the total liabilities of the Company will decrease by approximately 94%, assuming that the completion of the Disposals had taken place as at 30 June 2013. The decrease in total assets was mainly due to the derecognition of construction in progress and railway construction prepayment whilst the decrease in total liabilities was mainly due to the derecognition of bank loans. Accordingly, the net assets of the Company as at 30 June 2013 would have decreased by approximately 14% assuming that the completion of the Disposals had taken place as at 30 June 2013.

Shareholders and potential investors to the Company should note that the abovementioned financial impact on the assets and liabilities of the Company was determined by using preliminary internal estimation made by the Company only. These figures are not pro forma financial information which have not been reported on by the reporting accountants of the Company and they are set out here for illustration purpose only. The unaudited pro forma financial statements of the Group and the related financial impact will be disclosed in the circular relating to the Disposals to be despatched to the Shareholders on or before 24 March 2014.

A cash company is defined in Rule 14.82 of the Listing Rules as a company whose assets consist wholly or substantially of cash or short-dated securities. According to the unaudited financial information of the Group and after taking into account of the net proceeds from the placing completed on 1 November 2013, substantially all of which had been applied towards the acquisition of the Handysize vessel (M/V Tremonia) in December 2013, cash and cash equivalents of the Group would represent approximately one-third of the total assets of the Group assuming that the Completion had taken place as at 31 December 2013. Based on the Group's intended use of proceeds and in view of the fact that the third and final installments of the Consideration will be received in the 18th and 30th month from the Effective Date, it is expected that the proportion of cash and cash equivalents of the Group would further be reduced. As such, the Company considers that it will not become a cash company notwithstanding the Completion.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios in respect of the Disposals exceed 75%, the Disposals constitute a very substantial disposal for the Company under Rule 14.06 of the Listing Rules. Besides, as the Purchaser is a substantial shareholder of Zunxiao Company and Kuanping Company, the Purchaser is a connected person of the Company. Accordingly, the Disposals also constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the Independent Shareholders' approval at the EGM.

The EGM will be convened and held to consider, if thought fit, to approve the Disposal Agreements and the transactions contemplated thereunder.

An Independent Board Committee has been established by the Company to provide recommendations to the Independent Shareholders on the terms of the Disposal Agreements. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, among others, (i) further information about the Disposals and the transactions contemplated under the Disposal Agreements; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM, is expected to be despatched to the Shareholders on or before 24 March 2014.

As Completion is subject to the fulfilment of the conditions precedent as set out in the Disposal Agreements, the Disposals may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 17 February 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 3 March 2014.

DEFINITIONS

In the announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"Appraised NAV"	the aggregate of the unaudited net asset value of the Target Companies as at 30 November 2013 as appraised by an independent valuer for the purpose of determining the Consideration;
"associate(s)"	has the meaning ascribed thereto under Rule 1.01 of the Listing Rules;
"Bank"	中國民生銀行股份有限公司 (China Minsheng Banking Corp., Ltd.), an Independent Third Party;
"Board"	the board of Directors;
"Business Day"	any day (other than statutory holiday) on which banks in the PRC are open for business;
"Company"	Asia Energy Logistics Group Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
"Completion"	collectively, the Zunxiao Completion, the Kuanping Completion and the Tangcheng Completion;
"connected person(s)"	has the meaning ascribed thereto under Rule 1.01 and as extended under Rule 14A.11 of the Listing Rules;
"Consideration"	collectively, the Zunxiao Consideration, the Kuanping Consideration and the Tangcheng Consideration;
"Director(s)"	the director(s) of the Company;
"Disposal Agreements"	collectively, the Zunxiao Agreement, the Kuanping Agreement and the Tangcheng Agreement;
"Disposals"	transfer of the Relevant Interests by the Vendor to the Purchaser pursuant to the Disposal Agreements;
"DWT"	Deadweight Tonnages;
"Effective Date"	the date on which the Disposal Agreements becomes effective, being the date on which all conditions precedent thereof have been fulfilled;
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the Disposal Agreements and the transactions contemplated thereunder;
"Golden Concord"	Golden Concord Holdings Limited, a company incorporated in Hong Kong with limited liability which is beneficially owned by Mr. Zhu;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;

"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Prof. Sit Fung Shuen, Victor, established to provide recommendations to the Independent Shareholders on the terms of the Disposal Agreements;
"Independent Shareholders"	Shareholders, other than the Purchaser and its associates (if they are Shareholders as at the date of the EGM);
"Independent Third Party(ies)"	third party(ies) not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them;
"Interim NAV"	the aggregate of the unaudited net asset value of the Target Companies as at 30 June 2013;
"JV Agreement"	a shareholders' agreement dated 1 December 2009 (as amended by various supplemental agreements) entered into between Ocean Jade Investments Limited and Waibert Navigation Company Limited to establish the Ocean Pro Holdings Limited, details of which are set out in the circular of the Company dated 30 April 2010;
"JV Group"	Ocean Pro Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and held as to 50% by the Company, and its subsidiaries;
"Kuanping Agreement"	the conditional equity transfer agreement dated 14 February 2014 entered into between the Vendor and the Purchaser in relation to the transfer of the Kuanping Interests;
"Kuanping Company"	承德寬平鐵路有限公司 (Chengde Kuanping Railway Limited*), a company established in the PRC with limited liability and 62.5% equity interest of which was owned by the Vendor as at the date of this announcement;
"Kuanping Completion"	completion of the transfer of the Kuanping Interests in accordance with the terms of the Kuanping Agreement;
"Kuanping Consideration"	the consideration of RMB101,583,000 payable by the Purchaser to the Vendor for the transfer of the Kuanping Interests pursuant to the Kuanping;
"Kuanping Facilities"	the loan facilities in the principal amount of RMB239 million granted by the Bank to Kuanping Company;
"Kuanping Interests"	the 53.02% equity interest in Kuanping Company to be transferred by the Vendor to the Purchaser pursuant to the Kuanping Agreement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Mr. Zhu"	Mr. Zhu Gongshan, a director of various subsidiaries of the Company and is interested in approximately 8.48% of the issued share capital of the Company as at the date of this announcement, a connected person of the Company;

"percentage ratios"	has the meaning ascribed thereto under Rule 14.04(9) of the Listing Rules;
"PRC"	The People's Republic of China and for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administration Region;
"Purchaser"	河北建投交通投資有限責任公司 (transliterated as Hebei Construction, Transportation and Communication Co., Ltd.*), a company established in the PRC with limited liability;
"Purchaser Group"	the Purchaser and its parent company 河北建設投資集團有限責任公司 (transliterated as Hebei Construction and Investment Group Co., Ltd.*);
"Relevant Interests"	collectively, the Zunxiao Interests, the Kuanping Interests and the Tangcheng Interests;
"RMB"	Renminbi, the lawful currency in the PRC;
"Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"substantial shareholder"	has the meaning ascribed thereto under Rule 1.01 of the Listing Rules;
"Tangcheng Agreement"	the conditional equity transfer agreement dated 14 February 2014 entered into between the Vendor and the Purchaser in relation to the transfer of the Tangcheng Interests;
"Tangcheng Company"	唐山唐承鐵路運輸有限責任公司 (Tangshan Tangcheng Railway Transportation Company Limited*), a company established in the PRC with limited liability and 51% equity interest of which was owned by the Vendor as at the date of this announcement;
"Tangcheng Completion"	completion of the transfer of the Tangcheng Interests in accordance with the terms of the Tangcheng Agreement;
"Tangcheng Consideration"	the consideration of RMB155,294,000 payable by the Purchaser to the Vendor for the transfer of the Tangcheng Interests pursuant to the Tangcheng Agreement;
"Tangcheng Facilities"	the loan facilities in the principal amount of RMB378 million granted by the Bank to Tangcheng Company;
"Tangcheng Interests"	the 51% equity interest in Tangcheng Company to be transferred by the Vendor to the Purchaser pursuant to the Tangcheng Agreement;
"Target Companies"	collectively, Zunxiao Company, Kuanping Company and Tangcheng Company;

"US$"	United States dollars, the lawful currency of the United States of America;
"Vendor"	China Railway Logistic Holdings Limited (中國鐵路物流控股有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
"Zunxiao Agreement"	the conditional equity transfer agreement dated 14 February 2014 entered into between the Vendor and the Purchaser in relation to the transfer of the Zunxiao Interests;
"Zunxiao Company"	承德遵小鐵路有限公司 (Chengde Zunxiao Railway Limited*), a company incorporated in the PRC with limited liability and 62.5% equity interest of which was owned by the Vendor as at the date of this announcement;
"Zunxiao Completion"	completion of the transfer of the Zunxiao Interests in accordance with the terms of the Zunxiao Agreement;
"Zunxiao Consideration"	the consideration of RMB176,393,000 payable by the Purchaser to the Vendor for the transfer of the Zunxiao Interests pursuant to the Zunxiao Agreement;
"Zunxiao Facilities"	the loan facilities in the principal amount of RMB416 million granted by the Bank to Zunxiao Company;
"Zunxiao Interests"	the 53.02% equity interest in Zunxiao Company to be transferred by the Vendor to the Purchaser pursuant to the Zunxiao Agreement;
"Zunxiao Railway"	a railway of approximately 121.7 kilometers being constructed by Zunxiao Company, Kuanping Company and Tangcheng Company to connect Tangshan City (唐山市) and Chengde City (承德市), Hebei Province (河北省), the PRC;
"%"	per cent.

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

Hong Kong, 28 February 2014

For the purpose of illustration only, any amount denominated in RMB and US$ in this announcement were translated at the rate of RMB0.78775=HK$1 and US$1=RMB6.1100 respectively, both being the rates quote on the website of People's Bank of China as at 13 February 2014. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

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.

* *the English Translation of the Chinese name is for information purpose only and should not be regarded as the official English translation of such Chinese name*