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ASIA ENERGY LOGISTICS GROUP LIMITED **亞洲能源物流集團有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 351)

COMPLETION OF ACQUISITION AND CONTINUING CONNECTED TRANSACTION RENEWAL OF THE OPERATION CONSULTATION AGREEMENT

COMPLETION OF ACQUISITION

Reference is made to the announcement of the Company dated 3 September 2009 and the circular of the Company dated 23 November 2009, in relation to, among others, the Acquisition. The Board is pleased to announce that the Acquisition was completed on 11 February 2010. Accordingly, Gofar has become an indirect wholly owned subsidiary of the Company.

CONTINUING CONNECTED TRANSACTION

On 11 February 2010, Shanghai GCL and Palace View entered into the Operation Consultation Agreement to renew the First Operation Consultation Agreement under the same terms and conditions for a further term of one year from the date of the Operation Consultation Agreement.

Mr. Zhu, being a director of Gofar Group, is a connected person of the Company. As Mr. Zhu is also a director and a deemed Controlling Shareholder of GCL, therefore, Shanghai GCL, being a subsidiary of GCL, is an associate of Mr. Zhu and therefore a connected person of the Company. Accordingly, the transaction contemplated under the Operation Consultation Agreement constitutes a continuing connected transaction under Chapter 14A of the Listing Rules. Since the Annual Caps are more than HK\$1,000,000, and the applicable percentage ratios are less than 2.5% under the Listing Rules, the continuing connected transaction under the Operation Consultation Agreement is exempt from independent shareholders' approval but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

COMPLETION OF ACQUISITION

Reference is made to the announcement of the Company dated 3 September 2009 and the circular of the Company dated 23 November 2009, in relation to, among others, the Acquisition. Capitalized terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise stated.

The Board is pleased to announce that the Acquisition was completed on 11 February 2010. Accordingly, Gofar has become an indirect wholly owned subsidiary of the Company.

THE CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 31 July 2009 in relation to, among others, the First Operation Consultation Agreement in relation to the appointment of Shanghai GCL to provide consultation services for the operation of a municipal solid waste incineration power plant owned by Dongguan China Sciences, an indirect subsidiary of Palace View.

On 11 February 2010, Shanghai GCL and Palace View entered into the Operation Consultation Agreement to renew the First Operation Consultation Agreement under the same terms and conditions for a further term of one year from the date of the Operation Consultation Agreement.

The Operation Consultation Agreement

Date

11 February 2010

Parties

A: Palace View International Limited

B: 上海保利協鑫電力運行管理有限公司
(Shanghai GCL-Poly Electricity Operating Management Co. Ltd.*)

Palace View, a wholly-owned subsidiary of the Company, is a company incorporated in the British Virgin Islands and is principally engaged in investment holding.

Shanghai GCL, a wholly-owned subsidiary of GCL, is a company established in the PRC with limited liability and is principally engaged in the provision of operation and management of cogeneration and power plants in the PRC.

Pursuant to the Operation Consultation Agreement, Shanghai GCL agreed to provide consultation services in respect of the operation of the municipal solid waste incineration power plant owned by Dongguan China Sciences for a monthly consultation fee of RMB200,000 (approximately HK\$227,600) for a period of one year. Major terms of the Operation Consultation Agreement are summarized as follows:

Term:	One year commencing from the date of the Operation Consultation Agreement.
Consultation Services:	Shanghai GCL is to provide consultation services to Dongguan China Sciences in respect of the operation of the incineration power plant owned by Dongguan China Sciences.
Consultation Fee:	The monthly consultation fee of RMB200,000 (approximately HK\$227,600) is payable quarterly in arrears. The Consultation Fee may be adjusted by Palace View and Shanghai GCL if there is any change in the installed capacity of the municipal solid waste incineration power plant. If the adjustment of the Consultation Fee cannot be agreed, it shall be determined by reference to the proportion of the actual capacity to the existing capacity (i.e. 42MW). However, and in any event the adjusted Consultation Fee will not be lower than RMB200,000 per month.

The Consultation Fee was arrived at after arm's length negotiations between Palace View and Shanghai GCL. The Consultation Fee was agreed with reference to (i) the installed capacity of the incineration power plant operated by Dongguan China Sciences (i.e. 42MW); and (ii) the resources and cost required to be deployed by Shanghai GCL to provide such services plus a reasonable margin.

ANNUAL CAPS

The Annual Caps of the Operation Consultation Agreement for the years ending 31 December 2010 and 31 December 2011 are RMB2,000,000 (approximately HK\$2,276,000) and RMB400,000 (approximately HK\$455,200), respectively.

The Annual Caps are calculated based on the fixed monthly fee of RMB200,000 per month.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in waste incineration power generation business in the PRC, railway construction and operation, as well as development of infrastructure projects in the PRC.

Waste incineration power generation is a special business and the operation and management of the waste incineration power plant require professional knowledge and experience. GCL group owns and operates clean gas-fired cogeneration plants, renewable biomass-fired cogeneration plants and a municipal solid waste incineration plant with remarkable results in the past years. Further, Shanghai GCL has the experience and expertise in the operation and management of the waste incineration power plant operated by Dongguan China Sciences during the term of the First Operation Consultation Agreement.

As such, the Directors (including the independent non-executive Directors) believe that the transaction contemplated under the Operation Consultation Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Mr. Zhu, being a director of Gofar Group, is a connected person of the Company. As Mr. Zhu is also a director and a deemed Controlling Shareholder of GCL, therefore, Shanghai GCL, being a subsidiary of GCL, is an associate of Mr. Zhu and therefore a connected person of the Company. Accordingly, the transaction contemplated under the Operation Consultation Agreement constitutes a continuing connected transaction under Chapter 14A of the Listing Rules.

Since the Annual Caps are more than HK\$1,000,000, and the applicable percentage ratios are less than 2.5% under the Listing Rules, the continuing connected transaction under the Operation Consultation Agreement was exempt from independent shareholders' approval but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Annual Cap”	the maximum aggregate annual value of the continuing connected transaction under the Operation Consultation Agreement, details of which are set out in the section headed “ANNUAL CAPS” of this announcement;
“associate”	has the meaning given to that term in the Listing Rules;
“Board”	the board of Directors;
“Company”	Asia Energy Logistics Group Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning given to that term in the Listing Rules;
“Consultation Fee”	the monthly consultation fee of RMB200,000 for an effective period of one year under the Operation Consultation Agreement;
“Controlling Shareholder”	has the meaning given to that term in the Listing Rules;
“Directors”	directors of the Company;
“Dongguan China Sciences”	東莞中科環保電力有限公司 (Dongguan China Sciences Conservational Power Limited*), a company established in the PRC with limited liability and is principally engaged in municipal solid waste incineration power generation business in the PRC;
“First Operation Consultation Agreement”	the first operation consultation agreement dated 13 February 2009 entered into between Palace View and Shanghai GCL in respect of the operation of the incineration power plant owned by Dongguan China Sciences
“GCL”	GCL-Poly Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange;
“Gofar”	Gofar Holdings Limited, a company incorporated in the BVI with limited liability and is an investment holding company;
“Gofar Group”	Gofar, its wholly-owned subsidiaries, Top Fast and China Railway Logistic, and its non-wholly owned subsidiaries, Zunxiao Company, Kuanping Company and Tangcheng Company
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Zhu”	Mr. Zhu Gongshan
“Operation Consultation Agreement”	the operation consultation agreement dated 11 February 2010 entered into between Palace View and Shanghai GCL in respect of the operation of the incineration power plant owned by Dongguan China Sciences, particulars of which are set out in this announcement;
“Palace View”	Palace View International Limited, a company incorporated in the British Virgin Islands with limited liability;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai GCL”	上海保利協鑫電力運行管理有限公司 (Shanghai GCL-Poly Electricity Operating Management Co. Ltd.*), a company established in the PRC with limited liability;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

In this announcement, for reference only, the translation of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1=HK\$1.138

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

Hong Kong, 11 February 2010

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 Mr. Tsang Kwok Wa.

Mr. Zhu, being a director of Gofar Group, is a connected person of the Company. GCL Shanghai is a connected person of the Company by virtue of being an associate of Mr. Zhu, for its being a subsidiary of GCL of which Mr. Zhu is a director and a deemed Controlling Shareholder.

** for identification purposes only*