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China Railway Logistics Limited

中國鐵路貨運有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8089)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Company wishes to inform its shareholders that the Group is expected to record a substantial decrease in profit for the three months ended 31 March 2011 mainly due to decreases in gain on disposal of and gain arising from fair value changes of convertible instruments designated at financial assets at fair value through profit and loss.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Railway Logistics Limited (the “Company”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The Company wishes to inform its shareholders that the Company and its subsidiaries (the “Group”) are expected to record a substantial decrease in profit for the three months ended 31 March 2011 mainly due to decreases in gain on disposal of and gain arising from fair value changes of convertible instruments designated at financial assets at fair value through profit and loss.

This profit warning announcement is only based on preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2011 by the management of the Company. The actual unaudited consolidated results of the Group for the three months ended 31 March 2011 have not yet been finalised. Shareholders of the Company are advised to read carefully the Company’s first quarterly results announcement for the three months ended 31 March 2011, which is expected to be published on 11 May 2011.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Railway Logistics Limited
Chan Shui Sheung Ivy
Executive Director

Hong Kong, 6 May 2011

As at the date hereof, the Company's executive directors are Ms. Yeung Sau Han Agnes and Ms. Chan Shui Sheung Ivy; and the Company's independent non-executive directors are Ms. Yuen Wai Man, Mr. Lam Ka Wai Graham and Mr. Wang Chin Mong.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the Growth Enterprise Market website at www.hkgem.com for at least 7 days and the Company website at www.chinarailwaylogistics.com from the date of this announcement.

** For identification purpose only*