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廣東南粵物流股份有限公司  
Guangdong Nan Yue Logistics Company Limited\*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 03399)**

## **PROFIT WARNING**

The Board wishes to inform the shareholders of the Company and potential investors that the results of the Group for the 12 months ended 31 December 2009 is expected to decline significantly as compared to that for the same period in 2008 and a loss is expected to incur.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of Guangdong Nan Yue Logistics Company Limited (the “Company”) and potential investors that the results of the Company and its subsidiaries (the “Group”) for the 12 months ended 31 December 2009 is expected to decline significantly as compared to that for the same period in 2008 and a loss is expected to incur. The expected loss is mainly due to the impairment provision to be made in respect of the significant risk of prepayments made by the Group to three enterprises in Tangshan for purchase of steel.

According to the three enterprises in Tangshan, they are under the control of a common management, and the global financial crisis has a significant adverse impact on their businesses. In October 2009, ten government departments including the National Development and Reform Commission jointly issued 《關於抑制部分行業產能過剩和重複建設引導產業健康發展的若干意見》 (Opinions Regarding Restrain on Overcapacity and Duplicated Construction Leading to Healthy Development of Certain Industries) declaring expressly to control overcapacity and duplicated construction in the steel industry. This has made the operation of the three steel

enterprises in Tangshan even more difficult. As at 31 December 2009, the total amount owed to the Group by the three enterprises for steel purchase was approximately RMB482 million. The Company has sent a team to the three enterprises to negotiate debt settlement proposal with them.

The information contained in this announcement is only a preliminary assessment by the Company based on the information available for the time being, but not on any data or information audited or reviewed by the auditors of the Company. Financial information and other details of the Group will be disclosed in the Company's announcement of the annual results of the Group for the 12 months ended 31 December 2009.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board of Directors of  
**Guangdong Nan Yue Logistics Company Limited**  
**Lu Maohao**  
*Chairman of the Board*

Guangzhou, the PRC, 15 January 2010

*As at the date of this announcement, the Board comprises of Mr. Lu Maohao, Mr. Liu Hong, Mr. Wang Weibing, Mr. Deng Chongzheng and Mr. Zeng Gangqiang as executive directors of the Company, Mr. Cao Xiaofeng, Mr. Lu Yaxing, Mr. Zheng Renfa, Mr. Cai Xiaojun and Mr. Chen Guozhang as non-executive directors of the Company, and Mr. Gui Shouping, Mr. Liu Shaobuo and Mr. Peng Xiaolei as independent non-executive directors of the Company.*

*\* The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the laws of Hong Kong) under its Chinese name “廣東南粵物流股份有限公司” and its English name “Guangdong Nan Yue Logistics Company Limited”.*