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China Railway Logistics Limited

中國鐵路貨運有限公司*

(formerly known as Proactive Technology Holdings Limited)

(incorporated in Bermuda with limited liability)

(Stock code: 8089)

ANNOUNCEMENT

The Board is pleased to announce that on 2 August 2007, CR Onway, a subsidiary of the Company, has entered into the Letter of Intent with China Shenhua for the Leasing of the self-owned wagon trains operated by CR Onway.

The Letter of Intent sets forth the basis of future mutual cooperation between CR Onway and Shenhua Energy, while the terms and conditions of the agreement for the Leasing will be finalized pending further negotiation between CR Onway and China Shenhua. In addition to the agreement for the Leasing, the Company will also explore with China Shenhua on any further co-operation opportunities between the two companies, both in daily operation or corporate level.

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

The board (the “Board”) of China Railway Logistics Limited (the “Company”) is pleased to announce that on 2 August 2007, CR Onway Freight Logistics and Transport Company Limited (“CR Onway”), a subsidiary of the Company has entered into a letter of intent (“Letter of Intent”) which is non-legal binding with China Shenhua Rolling Stock Branch (“China Shenhua”) for the leasing (“Leasing”) of the self-owned wagons trains operated by CR Onway.

The Letter of Intent sets forth the basis of future mutual cooperation between CR Onway and China Shenhua, while the terms and conditions of the agreement for the Leasing will be finalized pending further negotiation between CR Onway and China Shenhua. In addition to the agreement for the Leasing, the Company will also explore with China Shenhua on any further co-operation opportunities between the two companies, both in daily operation or corporate level.

Further announcement(s) in relation to any material development of the Leasing will be made by the Company as and when appropriate.

* *For identification purposes only*

This announcement is made 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 (“GEM Listing Rules”).

By order of the Board
China Railway Logistics Limited
Ng Kam Wing
Director

Hong Kong, 8 August 2007

As at the date of this announcement, the executive Directors are Mr. Tsang Chi Hin, Mr. Zeng Bangjian, Mr. Ng Kam Wing, Mr. Koh Tat Lee, Michael and Mr. Lim Kwok Choi. The independent non-executive Directors are Mr. Leung Lok Ming, Mr. Chan Ho Wah, Terence, Mr. Chong Cha Hwa, Dr. James Wing Ho Wong and Mr. Lok Shing Kwan, Sunny.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.