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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)

ANNOUNCEMENT

The directors (the “Directors”) of China Railway Logistics Limited (the “Company”, together with its subsidiaries, the “Group”) have noted a report regarding the Group in a press article published in the 29 January 2008 edition of the Oriental Daily (the “Article”) and wish to clarify as follows.

The Article stated that its 49%-owned company, CR Onway Freight Logistics and Transport Company Ltd. (中鐵安時物流運輸有限公司) (“CR Onway”), had issued a writ of summons in the High Court of The Hong Kong Special Administrative Region against the financial controller of CR Onway, alleging that he has misappropriated RMB73 million deposited by CR Onway (the “Proceedings”).

The Directors would like to clarify that CR Onway, a Sino-foreign joint-venture company, is owned as to 80% by Onway Logistics Ltd. which is in turn owned as to 61.25% by Eternity Profit Investments Limited, an indirect wholly-owned subsidiary of the Company. Accordingly, the Company holds a 49% effective interest in CR Onway through its non-wholly owned subsidiaries. The Company has made enquiries and as far as the Directors are aware, (i) no sums have been misappropriated from CR Onway; (ii) CR Onway has suffered no loss whatsoever; and (iii) there are no grounds for the Proceedings.

Until they read the Article, the Directors were not aware of the Proceedings and note that the decision to bring the Proceedings was not approved by a duly convened meeting of the board of directors of CR Onway, and may be connected with efforts by the Company to effect changes to the management of CR Onway. The Directors are continuing their enquiries into these events and have instructed Hong Kong and PRC lawyers in this regard. The Company will make a further announcement in respect of these events when appropriate.

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

Hong Kong, 5 February 2008

As at the date hereof, the Company's executive directors are Mr. Ha Shu Tong, Mr. Zeng Bangjian, Mr. Ng Kam Wing, Mr. Koh Tat Lee, Michael and Mr. Lim Kwok Choi; the Company's non-executive director is Tsang Chi Hin, and the Company's 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 of China Railway Logistics Limited 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 (the "GEM Listing Rules") for the purpose of giving information with regard to China Railway Logistics Limited. 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 the Company's website at www.chinarailwaylogistics.com and on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting.

** For identification purpose only*