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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)

(I) DISCLOSABLE AND CONNECTED TRANSACTION – THE DISPOSAL OF ENTIRE SHAREHOLDING INTEREST IN ETERNITY PROFIT; (II) MAJOR TRANSACTION – SALE DEBTS OF THE DISPOSAL GROUP; (III) SUPPLEMENTAL AGREEMENT REGARDING THE POSSIBLE ESTABLISHMENT OF A JOINT VENTURE COMPANY AND (IV) RESUMPTION OF TRADING

DISPOSAL OF SALE SHARES

On 13 October 2008, Dragon Billion, which is a wholly owned subsidiary of the Company, as vendor on the one part, have entered into the Disposal Agreement with the Purchaser, as purchaser of the other part, pursuant to which Dragon Billion has agreed to sell the Sale Shares to the Purchaser and the Purchaser has agreed to purchase the Sale Shares.

The consideration for the Sale Shares is HK\$6,095,000, which is determined after arm's length negotiations between parties, primarily by reference to the investment cost of the Company in the Sale Shares.

DISPOSAL OF SALE DEBTS

Pursuant to the Disposal Agreement, Dragon Billion as vendor on the one part has agreed to sell the Sale Debts to the Purchaser and the Purchaser, on the other part, has agreed to purchase the Sale Debts.

The consideration for the Sale Debts is HK\$135,000,000, which is determined after arm's length negotiations between parties, primarily by reference to the face value of the Sale Debts.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties and independent of and not connected or acting in concert and has no business relationship with the substantial Shareholders of the Company and their respective beneficial owners or associates and the Company and has not entered into any transactions with the Company prior to the entering of the Disposal Agreement.

GENERAL

The disposal of Sale Shares constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. As the other shareholder of Onway Logistics Limited is a controller, according to rule 20.13(1)(b)(i) of the GEM Listing Rules, the disposal of Sale Shares also constitutes a connected transaction for the Company. As each of the percentage ratios according to rule 19.08 of the GEM Listing Rule is less than 25% and the consideration of the Sale Shares is less than HK\$10 million, the disposal of Sale Shares are exempted from the independent shareholders' approval according to rule 20.32(2) of the GEM Listing Rule. Further details of the disposal of Sale Shares will be included in a circular to be dispatched to the Shareholders.

The disposal of Sale Debts constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and which is therefore subject to the Shareholders' approval under Chapter 19 of the GEM Listing Rules.

A circular containing, among other information, (i) further details of the disposal of the Sale Shares and the Sale Debts; (ii) information required under Chapters 19 of the GEM Listing Rules; and (iii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES OF THE COMPANY

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 October 2008 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 5 November 2008.

INTRODUCTION

Disposal of Sale Shares

On 13 October 2008, Dragon Billion, a wholly owned subsidiary of the Company, as vendor on the one part, have entered into the Disposal Agreement with the Purchaser, as purchaser of the other part, pursuant to which Dragon Billion has agreed to sell the Sale Shares to the Purchaser and the Purchaser has agreed to purchase the Sale Shares.

The consideration for the Sale Shares is HK\$6,095,000, which is determined after arm's length negotiations between parties, primarily by reference to the investment cost of the Company in the Sale Shares. According to the Directors, the investment cost of the Company in the Sale Shares is HK\$6,095,000.

Disposal of Sale Debts

Pursuant to the Disposal Agreement, Dragon Billion as vendor on the one part has agreed to sell the Sale Debts to the Purchaser and the Purchaser has, on the other part, agreed to purchase the Sale Debts.

The consideration for the Sale Debts is HK\$135,000,000, which is determined after arm's length negotiations between parties, primarily by reference to the face value of the Sale Debts.

Completion of the disposal of the Sale Shares and the Sale Debts are not inter-conditional.

DISPOSAL

Disposal Agreement

Date: 13 October 2008

Vendor: Dragon Billion

Purchaser: Portstar Enterprises Limited

Assets to be disposal of

- (i) The Sale Shares;
- (ii) The Sale Debts

Conditions precedent

- (i) The Sale Shares

The completion of the sale and purchase of the Sale Shares shall be conditional upon all the following conditions being fulfilled (or, where applicable, waived) on or before the First Long Stop Date:

- (a) the relevant regulatory authorities agree and approve the publication and issue of the announcement regarding the Disposal Agreement and the transactions contemplated thereby in the website of the Stock Exchange;
- (b) where applicable, the obtaining of the approval from Shareholders in the SGM of the Disposal Agreement and the transactions contemplated thereby in the SGM; and
- (c) the operation and condition of the Eternity Profit and Onway Logistics do not have any material adverse change from the date of the Disposal Agreement to the date of the completion of the Disposal of Sale Shares.

The Purchaser may waive the conditions as stated above (other than those specified in paragraphs (i)(a) and (i)(b)).

If the conditions shall not have been fulfilled (or, as the case may be, waived by the Purchaser) on the First Long Stop Date, the Disposal Agreement shall cease and terminate and none of the parties hereto shall have any obligations and liabilities hereunder save for any antecedent breaches.

- (ii) The Sale Debts

The completion of the sale and purchase of the Sale Debts shall be conditional upon all the following conditions being fulfilled (or, where applicable, waived) on or before the Second Long Stop Date:

- (a) where applicable, obtaining of the approval from Shareholders in the SGM of the Disposal Agreement and the transactions contemplated thereby in the SGM; and

- (b) the discharge of the freezing order in connection with “中國北京市第二中級人民法院民事裁書(2008)二中執字第1237號”.

Details of the aforesaid freezing order was set out in the announcement of the Company dated 11 September 2008. On 1 September 2008, Eternity Profit received a judgement notice from 中國北京市第二中級人民法院 (the “Court”) to freeze and set aside the bank deposits of China Railway Television Freight and Logistics Transport Co Ltd (the “PRC Subsidiary”) in the total amount of RMB131 million (approximately HK\$149 million) (the “Judgement Notice”). Based on the copy of the Judgement Notice received by the Company, it appears that the Judgement Notice was made pursuant to the claim of a company known as 北京潤和易道房地產經紀有限公司 (the “Judgement Applicant”) against the PRC Subsidiary allegedly relating to a sale and purchase agreement in relation to a property, and a settlement order has been granted by the Court in favour of the Judgement Applicant for the PRC Subsidiary to pay for some settlement. According to the Directors, the Company is still working with its PRC legal advisers on the aforesaid issue and the status of the PRC Subsidiary. The Company will make further announcements in relation to this matter as and when it considers appropriate.

The Purchaser may waive the conditions as stated above (other than those specified in paragraphs (ii)(a)).

If the conditions shall not have been fulfilled (or, as the case may be, waived by the Purchaser) on the Second Long Stop Date, the transaction regarding the disposal of Sale Debts shall cease and terminate and none of the parties hereto shall have any obligations and liabilities hereunder save for any antecedent breaches.

Upon the fulfilment of all the conditions precedent as stated above, the Vendor shall use its reasonable endeavours to notify the Purchaser in writing (the notice shall attach the copy of documents that demonstrate the relevant conditions precedent are fulfilled).

Call Option

According to the Disposal Agreement, after the completion of the disposal of Sale Shares and before the completion of the disposal of Sale Debts, if:

- (i) upon the request by the Vendor in writing; or
- (ii) any event of default occurs in accordance with the Disposal Agreement;

the Vendor has the right to request the Purchaser from time to time to sell the Sale Shares at HK\$6,095,000 (the same price of the consideration of the disposal of the Sale Shares and without option premium) to the Vendor (or any parties nominated by the Vendor) free from encumbrances and shall include all the existing benefits and future benefits that occur after the completion of the Sale Shares.

The Call Option shall be terminated on completion of the disposal of the Sale Debts.

Completion of the exercise of the Call Option shall take place at the third business days (or any time as agreed in between the Vendor and the Purchaser) after the issue of the notice of the Call Option.

The Company will re-comply with the relevant GEM Listing Rules upon the exercise of the Call Option.

According to the Disposal Agreement, the exercise of the Call Option does not prevent the disposal of the Sale Debts.

Disposal Completion

(i) The Sale Shares

Completion of the disposal of the Sale Shares shall take place at the office of the Vendor on a date on which all conditional precedents to the disposal of Sale Shares have been fulfilled or (where applicable) waived or other places and time as agreed between the parties. Upon the completion of the disposal of the Sale Shares, the Disposal Group shall no longer form part of the Group.

(ii) The Sale Debts

Completion of the disposal of the Sale Debts shall take place at the office of the Vendor on a date on which all conditional precedents to the disposal of Sale Debts have been fulfilled or (where applicable) waived or other places and time as agreed between the parties.

Based on the Company's interim report for the six months ended 30 June 2008, the Disposal Group has no turnover attributable to the Group's total revenue.

Disposal Consideration

(i) The Sale Shares

The consideration for the Sale Shares is HK\$6,095,000, which is determined after arm's length negotiations between parties, primarily by reference to the investment cost of the Company in the Sale Shares.

The consideration for the Sale Shares shall be settled by the Purchaser at completion of the disposal of Sale Shares in favour of Dragon Billion in cash.

According to the unaudited management accounts of the Disposal Group as at 30 August 2008, the net asset deficit of the Disposal Group was HK\$248,519. The consideration for the Sale Shares represents a premium of approximately HK\$6,340,000 to the net asset deficit of the Disposal Group.

(ii) The Sale Debts

The consideration for the Sale Debts is HK\$135,000,000, which is determined after arm's length negotiations between parties, primarily by reference to the face value of the Sale Debts.

The consideration for the Sale Debts shall be settled by the Purchaser at completion of the disposal of Sale Debts in favour of Dragon Billion in cash.

As at the date of the Disposal Agreement and the date of this announcement, the face value of the Sale Debts was HK\$151,980,000 which is equal to the amount of the deposits of the capital contribution to the PRC Subsidiary and not interest-bearing. The consideration for the Sale Debts represents a discount of approximately 11% to the face value of the Sale Debts.

Having taken into account the above and the reasons and benefits of the disposal of Sale Shares and Sale Debts as stated in the paragraph headed “Reasons for and benefits of the Disposal” below, the Directors consider that the consideration for the Disposal is fair and reasonable and is in the interests of the Group and the Shareholders as a whole.

Information on the Disposal Group

As disclosed in the Company’s circular dated 25 May 2007 and Company’s announcement dated 28 February 2008 (the “Announcement”), the information of the Disposal Group is as follows:

(i) Eternity Profit

Eternity Profit is a company incorporated on 22 September 2006 in BVI with limited liability and is a wholly owned subsidiary of the Company. Other than the investment in Onway Logistics, Eternity Profit has no other major assets.

(ii) Onway Logistics

Onway Logistics is a company incorporated in Hong Kong pursuant to a joint venture agreement dated 25 January 2007 entered into between Eternity Profit and China Railway Investments Group (Hong Kong) Limited. Eternity Profit has 61.25% interest in Onway Logistics.

With reference to the Announcement, the PRC Subsidiary, a China-foreign cooperative joint venture company, was formed according to a joint venture agreement (the “JV Agreement”) between (i) Onway Logistics, in which the Company has a 61.25% interest, (ii) Guangdong China Railway Television Media Limited (“Guangdong China Railway”), and (iii) Beijing Run Tong Transportation Consulting Company Limited. As at the date of this announcement, Onway Logistics has advanced the sum of HK\$151,980,000 into the PRC Subsidiary. Other than the investment in the PRC Subsidiary, Onway Logistics has no other major assets.

The Company has encountered problems with the joint venture, principally concerning the control of the board of directors (the “PRC Board”) of the PRC Subsidiary. In or around August 2007, it had come to the Company’s attention that the JV Agreement that was submitted to the Ministry of Commerce (“MOC”), and which formed the basis of the MOC’s approval on 9 April 2007 (the “Approved Agreement”) was not in the terms that the Company had understood governed the joint venture as the Company had been operating on the assumption that Onway Logistics had control of the PRC Board. The Company had understood Onway Logistics had the right to appoint 4 out of 7 directors to the PRC Board, one of which is to be the Chairman, effectively giving Onway Logistics majority control of the PRC Board. However, the Approved Agreement provides that Onway Logistics can only appoint 3 out of 7 directors to the PRC Board, and the right to appoint the Chairman is with Guangdong China Railway. The Company’s understanding was that Onway Logistics would have control of the PRC Board, as it accords with the terms of the JV Agreement which had been executed by the parties on 25 January 2007.

It has also come to the Company's attention that although approval had been obtained by the Ministry of Commerce of the PRC on 9 April 2007 to convert the PRC Subsidiary from a domestic company into a China-foreign cooperative joint venture Company, the PRC Subsidiary has not yet been formally converted as such. The Company has been advised by its PRC lawyers that, as a consequence, Onway Logistics has not been formally registered as a shareholder of the company. However, on the basis of the capital injection, the Company is advised that Onway Logistics nonetheless has an enforceable contractual entitlement to the delivery of its shareholding in the PRC Subsidiary. The Company has been investigating, and is currently in negotiations with its joint venture partners to try to resolve the above matters, particularly with the aim to regain control of the PRC Board. The Company has been working with its PRC legal advisers to implement the necessary steps to formally convert and establish the PRC Subsidiary as a China-foreign cooperative joint venture and be registered as a shareholder of the PRC Subsidiary, and also taking Hong Kong and PRC legal advice as to the necessary steps that it should take to protect its, and the Group's interests. According to the Directors and as stated in the Company's announcement dated 28 February 2008, as the Company is not a shareholder of the PRC Subsidiary, the PRC Subsidiary is not included in the Group. The capital contribution to the PRC Subsidiary by the Company was classified as "Deposit for acquisition of investment" as stated in the Company's interim report for the six month ended 30 June 2008. According to the Company's announcement dated 28 March 2008, a special committee was formed to investigate the aforesaid issues. The special committee is also investigating whether Guangdong China Railway and Beijing Run Tong Transportation Consulting Company Limited are subsidiaries of Ministry of Railways of the PRC or not. According to the Directors, the aforesaid investigation is in progress. Further announcement will be made by the Company if there is further development of the abovementioned.

Below sets out the financial information of the Disposal Group, which is prepared in accordance with Hong Kong Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants, for the financial years ended 31 December 2006 and 2007:

	For the year ended 31 December 2006 (HK\$)	For the year ended 31 December 2007 (HK\$)
Interest income	–	1,204,851
Net loss before taxation	(25,694)	(1,236,570)
Net loss after taxation	(25,694)	(1,236,570)
Net assets/(liabilities)	364,306	(868,389)

Information on the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the principal business of the Purchaser is investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties and independent of and not connected or acting in concert and has no business relationship with the substantial Shareholders of the Company and their respective beneficial owners or associates and the Company and has not entered into any transactions with the Company prior to the entering of the Disposal Agreement.

Reasons for and benefits of the Disposal

The Group is principally engaged in design, development and sale of value-added telecommunications products and computer telephony products with a focus on business application.

The Company has encountered problem regarding the control of the PRC Board. In view of (i) the potential legal cost the Group may incur for handling the aforesaid legal case and the uncertainty of the outcome; and (ii) the proceeds from the Disposal can increase the working capital of the Group; the Directors are of the view that the Disposal is beneficial to the Group and the Shareholders as a whole.

It is estimated that, upon completion of the disposal of the Sale Shares and the Sale Debts, the Group will record a gain on disposal of approximately HK\$6.34 million and a loss on disposal of HK\$16.98 million respectively. The aforesaid gain is estimated based on unaudited net asset deficit of the Disposal Group and the consideration of the disposal of the Sale Shares; and the aforesaid loss is based on the difference on the face value of the Sale Debts and the consideration of the disposal of the Sale Debts.

Information of the Remaining Group and the intended use of proceeds

The principal activities of the remaining Group (i.e. excluding the Disposal Group) following completion of the disposal of Sale Shares will be (i) design, development and sale of value-added telecommunication products and computer telephony products and logistics transportation; and (ii) the sale, development and implementation of structural information integration and analysis systems, non-structural knowledge integration systems, knowledge management related network application system and technology and provision of voice search engine portal.

The sales proceeds from the Disposal will be applied to the working capital of the Group or investment opportunities when they occur. Reference is made to the announcements of the Company dated 14 October 2008 and 23 October 2008 in relation to the latest possible business development of the Company. Further announcement will be made by the Company of there is further development of the abovementioned.

GEM LISTING RULES REQUIREMENTS

The disposal of Sale Shares constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. As the other shareholder of Onway Logistics is a controller, according to rule 20.13(1)(b)(i) of the GEM Listing Rules, the disposal of Sale Shares also constitutes a connected transaction for the Company. As each of the percentage ratios according to rule 19.08 of the GEM Listing Rule is less than 25% and the consideration of the Sale Shares is less than HK\$10 million, the disposal of Sale Shares are exempted from the independent shareholders' approval according to rule 20.32(2) of the GEM Listing Rule. The independent non executive directors of the Company consider that the terms of the disposal of Sale Shares are on normal commercial terms, fair and reasonable and in the best interest of the Shareholders as a whole. Further details of the disposal of Sale Shares will be included in a circular to be dispatched to the Shareholders.

The disposal of Sale Debts constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and which is therefore subject to the Shareholders' approval under Chapter 19 of the GEM Listing Rules. As no Shareholders have any material interest in the disposal of the Sale Debts, no Shareholders are required to abstain from voting at the SGM on the resolution to approve the disposal of the Sale Debts and the transactions contemplated thereunder.

GENERAL

A circular containing, among other information, (i) further details of the disposal of the Sale Shares and the Sale Debts; (ii) information required under Chapters 19 of the GEM Listing Rules; and (iii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

Supplemental Agreement to Framework Agreement dated 10 October 2008

Reference is made to the announcements of the Company dated 14 October 2008. On 30 October 2008, a legally binding supplemental framework agreement (the “Supplemental Framework Agreement”) was entered into between Easy Champ Corporation Limited (“Easy Champ”), a wholly-owned subsidiary of the Company and Top Fast Holdings Limited (“Top Fast”) in relation to the possible establishment of a joint venture company in the People’s Republic of China (the “JVC”), and which supersedes the Framework Agreement dated 10 October 2008. The JVC will principally be engaged in the business of container and self owned rail wagon chartering services along any railway operated by the Ministry of Railways of the PRC (the “MOR”) to which the JVC is ultimately granted rights to operate.

Upon the signing of the Supplemental Framework Agreement, Top Fast shall grant an exclusivity period of 6 months to Easy Champ that Top Fast will not negotiate with any other parties in relation to possible investment or business relating to container and self owned rail wagon chartering services along any railway operated by the MOR. According to the Supplemental Framework Agreement, if the conditions precedent contained therein are not fulfilled within six months of the execution of the Supplemental Framework Agreement, Easy Champ may give at least 7 business days’ termination notice to Top Fast. In addition, with respect to the condition precedent relating to the need to execute a cooperation agreement to formalize the detailed arrangements of the cooperation between the parties (the “**Cooperation Agreement**”), should Easy Champ and Top Fast fail to execute the said Cooperation Agreement within 30 business days of the execution of the Supplemental Framework Agreement, both Easy Champ and Top Fast may give at least 7 business days’ termination notice to the other.

Subject to the fulfillment of the conditions precedent under the Supplemental Framework Agreement, the formal joint venture agreement (the “**JV Agreement**”) will be entered into within six months and the preliminary term stating that Easy Champ will contribute HK\$150,000,000 to the JVC shall be included therein, details of which shall be incorporated in the JV Agreement.

The Board wishes to emphasize that as at the date hereof, save for the Supplemental Framework Agreement, no other binding agreement has yet been entered into between Easy Champ and Top Fast.

The Company believes that the terms of the Supplemental Framework Agreement are in the best interests of the Company, especially given that (i) no deposit is required to be paid under the Supplemental Framework Agreement, thereby reinforcing the cash flow position of the Company; (ii) the scope of the cooperation has been streamlined to focus solely on container and self owned rail wagon chartering services, which compliments the Company’s existing core business; and (iii) the geographical mandate of the cooperation has been extended to cover the operation of container and self owned rail wagon chartering services along any railway operated by the MOR to which the JVC is granted rights to operate.

In addition, the Company announced a possible discloseable transaction on 23 October 2008 in relation to a business development in Changsha of PRC.

Further announcement will be made by the Company if there is further development of the abovementioned.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 October 2008 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares of the Company with effect from 9:30 a.m. on 5 November 2008.

DEFINITIONS

The following words and phrases used in this announcement have the following meaning:

“associates”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday and Sunday) on which banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“Call Option”	the call option granted by the Purchaser for the benefit of the Vendor pursuant to the Disposal Agreement to allow the Vendor to buy-back the Sale Shares
“Company”	China Railway Logistics Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Directors”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the disposal of the Sale Debts by the Vendor to the Purchaser in accordance with the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the conditional agreement dated 13 October 2008 entered into between the Vendor and the Purchaser in relation to the Disposal
“Disposal Group”	Eternity Profit and its respective subsidiaries
“Eternity Profit”	Eternity Profit Investments Limited, a company incorporated on 22 September 2006 in BVI with limited liability and is a wholly owned subsidiary of the Company
“First Long Stop Date”	31 December 2008 or such later date as the relevant parties to the Disposal Agreement may agree in writing

“GEM”	Growth Enterprises Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Onway Logistics”	Onway Logistics Limited, a company incorporated in Hong Kong, in which Eternity Profit holds 61.25% interest
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Portstar Enterprises Limited, a company incorporated in BVI with limited liability
“Sale Debts”	outstanding debts of HK\$151,980,000 advanced by the Vendor to Eternity Profit as at 30 August 2008
“Sale Shares”	50,000 ordinary shares of Eternity Profit, which represents the entire issued share capital of Eternity Profit
“Second Long Stop Date”	31 December 2009 or such later date as the relevant parties to the Disposal Agreement may agree in writing
“SGM”	a special general meeting of the Company to be convened to approve, amongst other things, the Disposal, the Disposal Agreement, the Call Option and the transaction contemplated thereby
“Share(s)”	ordinary share(s) of HK\$0.10 each in the existing share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”/“Dragon Billion”	Dragon Billion Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“%” or “per cent”

percentage

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

Hong Kong, 4 November 2008

As at the date of this announcement, 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 and Mr. Law Wing Tak Jack.

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 (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 “Latest Company Announcement” page of the GEM website for at least 7 days and the Company website at www.chinarailwaylogistics.com from the date of this announcement.

* *for identification purposes only*