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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

Reference is made to the Company's announcement dated 4 November 2008.

As set out in the Announcement and the Company's announcement dated 28 March 2008, the Special Committee was formed to investigate the Issues in relation to the PRC Subsidiary. Advisers have been appointed to advise the Special Committee in relation to the Issues.

In October 2008, the Company was demanded by both the Advisers for immediate payment of all outstanding fees which they had billed to the Company or else they would resign from the appointment. As the Company failed to agree with the Advisers on the amount of outstanding fees, the Company subsequently received resignation notices tendered by the Advisers. The Company is still in negotiation with the Advisers in respect of their fees charged and may re-appoint them if an agreed fee can be arrived between the parties.

The Directors believe the schedule of the Special Committee report will be inevitably delayed. Further announcement will be made by the Company if there is further development of the abovementioned.

Reference is made to the Company's announcement ("Announcement") dated 4 November 2008, regarding, inter alia, the disclosable and connected transaction of the Company. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless otherwise defined herein.

As set out in the Announcement and the Company's announcement dated 28 March 2008, a special committee ("Special Committee") was formed to investigate the issues ("Issues") in relation to the PRC Subsidiary. 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. Legal adviser and financial adviser (together the "Advisers") have been appointed to advise the Special Committee in relation to the Issues.

In October 2008, the Company was demanded by both the Advisers for immediate payment of all outstanding fees which they had billed to the Company or else they would resign from the appointment. As the Company failed to agree with the Advisers on the amount of outstanding fees, the Company subsequently received resignation notices tendered by the Advisers. The Company is still in negotiation with the Advisers in respect of their fees charged and may re-appoint them if an agreed fee can be arrived between the parties.

If the Company fails to agree with the Advisers, the Special Committee will appoint other advisers to replace the Advisers. The Directors believe the schedule of the Special Committee report will be inevitably delayed as the Company cannot ascertain at this stage whether agreement can be reached between the Advisers and the Company. The review of the Special Committee report will be pending until the Advisers are re-appointed or new advisers are appointed.

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

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

Hong Kong, 14 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*