

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

China Railway Logistics Limited

中國鐵路貨運有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8089)

ANNOUNCEMENT IN RELATION TO THE WRIT OF SUMMONS ISSUED

Reference is made to the announcements of China Railway Logistics Limited (the “Company”) dated 11 November 2011, 2 December 2011 and 9 January 2012 respectively (collectively, the “Announcements”) and the circular of the Company dated 20 December 2011 (the “Circular”) in relation to the acquisition of the property located at No. 8 Plunkett’s Road, the Peak, Hong Kong from Worldsky Limited, being the Vendor, by Charm State International Limited, being the Purchaser and a wholly-owned subsidiary of the Company. Capitalized terms used herein shall have the same meaning as those defined in the Announcements and the Circular unless otherwise defined.

On 9 January 2012, the Purchaser notified the Vendor that since the Acquisition was not approved by the Shareholders at the SGM, the condition precedent as set out in the Formal Agreement was not fulfilled. Pursuant to the Formal Agreement, the Purchaser shall be entitled to annul the Formal Agreement and in which case, the Vendor and the Purchaser shall enter into the Cancellation Agreement at the costs and expenses of the Purchaser and the Initial Deposit and the Further Deposit paid by the Purchaser in aggregate of HK\$25,647,000 shall be returned to the Purchaser upon signing of the Cancellation Agreement. The Purchaser has, through its solicitor, exercised its rights to annul the Formal Agreement and issued repeated demands and requests to the Vendor for entering into the Cancellation Agreement and the refund of the Initial Deposit and the Further Deposit. However, the Vendor, Worldsky Limited failed to sign the Cancellation Agreement and return the Initial Deposit and the Further Deposit or any part at all.

The Company hereby announces that on 29 February 2012, the Purchaser issued a writ of summons in the Court of First Instance of the High Court of Hong Kong against Worldsky Limited, claiming for, among other things, the following relief:

1. refund of the Initial Deposit and the Further Deposit in the sum of HK\$25,647,000;
2. the sum of HK\$7,266,650 being stamp duty paid;
3. a declaration that the Purchaser is entitled to a lien on all the title deeds and documents of the Property belonging to the Vendor in the Purchaser’s possession for the abovementioned deposits, stamp duty, damages and costs of this action;
4. a declaration that the Purchaser is entitled to an equitable lien on the Property for the abovementioned deposits, stamp duty, damages and costs of this action;

5. damages to be assessed;
6. interest;
7. further or other relief; and
8. costs.

The Company will keep the Shareholders and the public informed of any material development in connection with the above action by way of further announcement(s) as and when appropriate.

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

Hong Kong, 1 March 2012

As at the date hereof, 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, Mr. Lam Ka Wai Graham and Mr. Wang Chin Mong.

This announcement, for which the directors of the Company 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 Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the Growth Enterprise Market website at www.hkgem.com for at least 7 days and the Company website at www.chinarailwaylogistics.com from the date of this announcement.

** For identification purpose only*