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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)

EXTENSION OF SECOND LONG STOP DATE IN RELATION TO THE DISPOSAL AGREEMENT

Reference is made to the announcement of the Company dated 4 November 2008 and the circular of the Company dated 2 December 2008 in relation to, among other matters, the Disposal Agreement dated 13 October 2008 entered into between Dragon Billion Limited, a wholly owned subsidiary of the Company, as the Vendor, and Portstar Enterprises Limited as the Purchaser regarding (i) disposal of Sale Shares, (ii) the disposal of the Sale Debts and (iii) the Call Option to allow the Vendor to buy-back the Sale Shares. As disclosed in the Circular, the completion of the disposal of the Sale Debts shall be conditional upon condition being fulfilled (or, where applicable, waived) on or before the Second Long Stop Date (i.e. 31 December 2009 or such later date as the relevant parties to the Disposal Agreement may agree in writing).

As additional time is required by the Purchaser to fulfill condition precedent for the completion of the disposal of the Sale Debt, the Vendor and the Purchaser entered into the Supplemental Agreement to the Disposal Agreement on 30 December 2009, in which it was agreed that, inter alia, the Second Long Stop Date would be extended to 31 December 2010 or such later date as the relevant parties to the Disposal Agreement may agree in writing. Save for the aforementioned changes, all other terms and conditions of the Disposal Agreement remain unchanged. The completion of the disposal of Sale Debts and the expiry date of the Call Option shall be extended accordingly with the extension of the Second Long Stop Date.

Reference is made to the announcement of the Company dated 4 November 2008 and the circular of the Company dated 2 December 2008 (the “**Circular**”) in relation to, among other matters, the Disposal Agreement dated 13 October 2008 entered into between Dragon Billion Limited, a wholly owned subsidiary of the Company, as the Vendor and Portstar Enterprises Limited as the Purchaser regarding (i) disposal of Sale Shares, (ii) the disposal of the Sale Debts and (iii) the Call Option to allow the Vendor to buy-back the Sale Shares. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise stated.

As disclosed in the Circular, the completion of the disposal of the Sale Debts shall be conditional upon, among others, 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” being fulfilled (or, where applicable, waived) on or before the Second Long Stop Date (i.e. 31 December 2009 or such later date as the relevant parties to the Disposal Agreement may agree in writing).

* *For identification purpose only*

As at the date of this announcement, only the aforementioned condition precedent for the completion of the disposal of the Sale Debts has not been fulfilled.

After arm's length negotiations, the Vendor and the Purchaser entered into a supplemental agreement to the Disposal Agreement on 30 December 2009 (the "**Supplemental Agreement**"), in which it was agreed that, inter alia, the Second Long Stop Date would be extended from "31 December 2009 or such later date as the relevant parties to the Disposal Agreement may agree in writing" to "31 December 2010 or such later date as the relevant parties to the Disposal Agreement may agree in writing". Save for the aforementioned changes, all other terms and conditions of the Disposal Agreement remain unchanged.

Completion of the disposal of the Sale Debt shall take place on a date on which all the conditions precedent to the disposal of Sale Debt have been fulfilled or (where applicable) waived or other time as agreed between the parties.

Pursuant to the terms of the Disposal Agreement, the Call Option is exercisable after the completion of the disposal of the Sale Shares and before the completion of the disposal of the Sale Debts and the Call Option shall be terminated on the completion of the disposal of the Sale Debts.

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

Hong Kong, 30 December 2009

As at the date hereof, the executive Directors are Ms. Yeung Sau Han Agnes and Ms. Chan Shui Sheung Ivy; and the 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 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, 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 "Latest Company Announcement" page of the GEM website at www.hkgem.com for at least 7 days from the date of this announcement and the Company website at www.chinarailwaylogistics.com.