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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)

TERMINATION OF MEMORANDUM OF PROPERTY TRANSACTION

Reference is made to the Announcements in relation to, among other matters, the Memorandum.

The Company was notified by the Vendors that they will not proceed with the sale of the Property to the Company and the Memorandum was terminated accordingly. On 31 July 2009, the Vendors refunded to the Company the earnest money of HK\$9 million in its entirety, and a further sum of approximately HK\$1.81 million was reimbursed for costs incurred by the Company in respect of the Acquisition.

Reference is made to the announcements of the Company dated 29 January 2009 and 12 May 2009 (the “**Announcements**”) in relation to, among other matters, the Memorandum. Capitalised terms used herein shall have the same meaning as defined in the Announcements unless the context otherwise requires.

The Company was notified by the Vendors that they will not proceed with the sale of the Property to the Company and the Memorandum was terminated accordingly. On 31 July 2009, the Vendors refunded to the Company the earnest money of HK\$9 million in its entirety, and a further sum of approximately HK\$1.81 million was reimbursed for costs incurred by the Company in respect of the Acquisition.

By order of the Board
China Railway Logistics Limited
Yeung Sau Han Agnes
Executive Director

Hong Kong, 3 August 2009

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 and Mr. Lam Ka Wai Graham.

* *for identification purpose only*

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:– (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 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.