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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)

DISCLOSEABLE TRANSACTION - ACQUISITION OF PROMISSORY NOTE

On 30 April 2012, the Assignee and the Assignor entered into the Deed, pursuant to which the Assignor agreed to assign and transfer and the Assignee agreed to receive and accept the Promissory Note in the principal amount of HK\$30,680,415 for a consideration of HK\$26,000,000.

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

THE INTRODUCTION

On 30 April 2012, the Assignee and the Assignor entered into the Deed, pursuant to which the Assignor agreed to assign and transfer and the Assignee agreed to receive and accept the Promissory Note in the principal amount of HK\$30,680,415 for a consideration of HK\$26,000,000.

THE DEED

Date: 30 April 2012

Parties:

Assignor: PME Investments (BVI) Co., Ltd., a company incorporated in the British Virgin Islands with limited liability

Assignee: Top Mega Asia Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

As at the date of this announcement, the Assignor is beneficiary owned as to 50% by each of Mr. KW Cheng and Mr. KC Cheng. Mr. KW Cheng is an executive director and the chairman of PGL. Mr. KC Cheng is a former executive director and the former chief executive officer of PGL. Ms. Yeung is an executive director and the chief executive officer of PGL. Ms. Chan is an executive director of PGL. Both Ms. Yeung and Ms. Chan are the executive Directors of the Company. Save for the abovementioned, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Assignor and its ultimate beneficial owners are third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Assets to be Acquired

The Promissory Note in the principal amount of HK\$30,680,415 will be received and accepted by the Assignee from the Assignor. The Promissory Note is issued by Chinese Global Investors Group Limited, a company incorporated in Singapore with limited liability and the shares of which are listed on the Catalist of Singapore Exchange. Chinese Global Investors Group Limited and its subsidiaries are principally engaged in financial and investment services and the provision of quality waterproofing and building protection solutions and products.

Principal terms of the Promissory Note

Issuer: Chinese Global Investors Group Limited

Issuance Date 7 December 2011

Principal amount: HK\$30,680,415

Interest: The Promissory Note shall not bear any interest

Repayment: Repayment shall take place on the expiration of 6 months from the issuance date i.e. 6 June 2012.

Consideration for the Acquisition

The Consideration of HK\$26,000,000 is to be satisfied by way of internal resources of the Group upon Completion. The Consideration was arrived at after arm's length negotiations between the Assignee and the Assignor on normal commercial terms. The Consideration represents approximately 15.26% discount to the principal amount of the Promissory Note.

The Directors consider the terms and conditions of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedents

Completion of the Acquisition shall not be subject to any condition precedent.

INFORMATION ON THE ASSIGNOR

The Assignor is an investment holding company incorporated in the British Virgin Islands with limited liability and beneficiary owned as to 50% by each of Mr. KW Cheng and Mr. KC Cheng.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in businesses of computer telephony, properties investments, securities trading and loan financing.

The Directors consider that the Consideration represents approximately 15.26% discount to the principal amount of the Promissory Note and is of the view that such gain of approximately HK\$4,680,000 could soon be realized in early June upon receiving the repayment of the Promissory Note.

As such, the Directors consider that the terms and conditions of the Deed are fair and reasonable and the entering into of the Deed is in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITION

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meaning:

“Acquisition”	the acquisition of a promissory note in the principal amount of HK\$30,680,415 issued by Chinese Global Investors Group Limited
“Assignee”	Top Mega Asia Limited, a company incorporated in the British Virgin Islands with limited liability
“Assignor”	PME Investments (BVI) Co., Ltd., a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“Company”	China Railway Logistics Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on GEM
“Completion”	completion of the Acquisition
“Consideration”	the total consideration of HK\$26,000,000 payable by the Assignee to the Assignor for the Acquisition pursuant to the Deed
“Director(s)”	the director(s) of the Company
“Deed”	the deed of assignment dated 30 April 2012 entered into between the Assignor and the Assignee in relation to the Acquisition
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Mr. KC Cheng”	Mr. Cheng Kwong Cheong, a holder of 50% equity interest in the share capital of the Assignor and a former executive director and former chief executive officer of PGL
“Mr. KW Cheng”	Mr. Cheng Kwok Woo, a holder of 50% equity interest in the share capital of the Assignor and an executive director and the chairman of PGL

“Ms. Chan”	Ms. Chan Shui Sheung Ivy, an executive director of the Company and PGL
“Ms. Yeung”	Ms. Yeung Sau Han Agnes, an executive director of the Company, and an executive director and the chief executive officer of PGL
“PGL”	PME Group Limited (Stock Code: 379), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Promissory Note”	a promissory note in the principal amount of HK\$30,680,415 issued by Chinese Global Investors Group Limited, a company incorporated in Singapore with limited liability, the shares of which are listed on the Catalist of Singapore Exchange
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 2 May 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 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*