

**FREIGHT LINKS EXPRESS HOLDINGS LIMITED**  
(Company Registration No. 198600061G)

Unaudited First Quarter Financial Statement Announcement for the Three Months Ended 31 July 2009

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**Consolidated Profit and Loss Account**

|  | <b>The Group</b>      |                       |                            |
|--|-----------------------|-----------------------|----------------------------|
|  | <b>3 months ended</b> | <b>3 months ended</b> | <b>Increase/(Decrease)</b> |
|  | <b>31/07/09</b>       | <b>31/07/08</b>       |                            |
|  | <b>S\$'000</b>        | <b>S\$'000</b>        | <b>%</b>                   |
| Revenue  | 30,644                | 37,760                | (18.8)                     |
| Other income                                     | 1,444                 | 1,751                 | (17.5)                     |
| Accretion of deferred revenue                    | 747                   | 747                   | -                          |
| Freight and related costs                        | (15,138)              | (21,750)              | (30.4)                     |
| Rental expenses on operating leases              | (3,717)               | (3,618)               | 2.7                        |
| Warehouse upkeep and related costs               | (1,099)               | (1,138)               | (3.4)                      |
| Exhibition design and build costs                | (575)                 | (1,034)               | (44.4)                     |
| Staff costs                                      | (5,452)               | (5,646)               | (3.4)                      |
| Depreciation of property, plant and equipment    | (1,470)               | (1,246)               | 18.0                       |
| Other expenses                                   | (3,864)               | (1,889)               | 104.6                      |
|  | 1,520                 | 3,937                 | (61.4)                     |
| Finance income                                   | 481                   | 317                   | 51.7                       |
| Finance expense                                  | (742)                 | (1,319)               | (43.7)                     |
| <b>Net finance costs</b>                         | <b>(261)</b>          | <b>(1,002)</b>        | <b>(74.0)</b>              |
| Share of (loss)/profit of associates, net of tax | (99)                  | 245                   | N/M                        |
| <b>Profit before income tax</b>                  | <b>1,160</b>          | <b>3,180</b>          | <b>(63.5)</b>              |
| Income tax expense                               | (447)                 | (426)                 | 4.9                        |
| <b>Profit for the period</b>                     | <b>713</b>            | <b>2,754</b>          | <b>(74.1)</b>              |
| <b>Attributable to:</b>                          |                       |                       |                            |
| Equity holders of the Company                    | 523                   | 2,533                 | (79.4)                     |
| Minority interests                               | 190                   | 221                   | (14.0)                     |
| <b>Profit for the period</b>                     | <b>713</b>            | <b>2,754</b>          | <b>(74.1)</b>              |

N/M denotes Not Meaningful

**Notes to Income Statement**  
**Additional Disclosure Items**

|  | <b>3 months ended<br/>31/07/09</b> | <b>3 months ended<br/>31/07/08</b> |
|--|------------------------------------|------------------------------------|
|  | <b>S\$'000</b>                     | <b>S\$'000</b>                     |
| Gain on fair value of interest rate swaps  | 9                                  | 260                                |
| Gain/(loss) on fair value of marketable securities                                     | 427                                | (411)                              |
| Interest income on convertible loans to associates                                     | 620                                | 698                                |
| Interest income on redeemable cumulative convertible preference shares in an associate | -                                  | 353                                |
| Dividend received  | 2                                  | -                                  |
| Gain on disposal of property, plant and equipment                                      | 195                                | 14                                 |
| Foreign exchange (loss)/gain   | (1,646)                            | 633                                |
| Allowance for doubtful loan receivable from an associate                               | (809)                              | -                                  |
| Accretion of deferred revenue  | 747                                | 747                                |
| Current year tax provision   | (397)                              | (573)                              |
| Provision for deferred tax liabilities   | (50)                               | (50)                               |
| Over provision for tax in respect of prior years                                       | -                                  | 197                                |

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

|   | <b>Group</b>            |                         | <b>Company</b>          |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | <b>As at 31/07/2009</b> | <b>As at 30/04/2009</b> | <b>As at 31/07/2009</b> | <b>As at 30/04/2009</b> |
|   | <b>S\$'000</b>          | <b>S\$'000</b>          | <b>S\$'000</b>          | <b>S\$'000</b>          |
| <b>Non-current assets</b>                                   |                         |                         |                         |                         |
| Property, plant and equipment                               | 101,956                 | 99,735                  | 492                     | 515                     |
| Intangible assets   | 982                     | 982                     | -                       | -                       |
| Investment properties                                       | 24,000                  | 24,000                  | -                       | -                       |
| Subsidiaries  | -                       | -                       | 19,390                  | 19,030                  |
| Associates  | 51,971                  | 51,862                  | 39,758                  | 41,166                  |
| Club membership   | 50                      | 50                      | 22                      | 22                      |
| Other receivables   | 13,735                  | 16,687                  | 69,095                  | 65,602                  |
| Deferred tax assets   | 347                     | 396                     | -                       | -                       |
|   | <b>193,041</b>          | <b>193,712</b>          | <b>128,757</b>          | <b>126,335</b>          |
| <b>Current assets</b>                                       |                         |                         |                         |                         |
| Trade and other receivables                                 | 53,643                  | 52,575                  | 28,432                  | 27,790                  |
| Other investments   | 958                     | 531                     | -                       | -                       |
| Cash and cash equivalents                                   | 28,869                  | 33,863                  | 369                     | 9,456                   |
|   | <b>83,470</b>           | <b>86,969</b>           | <b>28,801</b>           | <b>37,246</b>           |
| <b>Total assets</b>   | <b>276,511</b>          | <b>280,681</b>          | <b>157,558</b>          | <b>163,581</b>          |
| <b>Equity attributable to equity holders of the Company</b> |                         |                         |                         |                         |
| Share capital   | 75,116                  | 74,216                  | 75,116                  | 74,216                  |
| Other reserves  | 8,986                   | 8,415                   | 7,082                   | 7,082                   |
| Accumulated profits   | 47,650                  | 47,127                  | 18,004                  | 19,155                  |
|   | <b>131,752</b>          | <b>129,758</b>          | <b>100,202</b>          | <b>100,453</b>          |
| <b>Minority interests</b>                                   | <b>11,690</b>           | <b>11,406</b>           | <b>-</b>                | <b>-</b>                |
| <b>Total equity</b>   | <b>143,442</b>          | <b>141,164</b>          | <b>100,202</b>          | <b>100,453</b>          |
| <b>Non-current liabilities</b>                              |                         |                         |                         |                         |
| Financial liabilities                                       | 58,188                  | 58,243                  | 16,924                  | 16,902                  |
| Other payables  | 8,036                   | 8,961                   | 30,995                  | 30,013                  |
| Deferred tax liabilities                                    | -                       | -                       | 4                       | 4                       |
|   | <b>66,224</b>           | <b>67,204</b>           | <b>47,923</b>           | <b>46,919</b>           |
| <b>Current liabilities</b>                                  |                         |                         |                         |                         |
| Trade and other payables                                    | 42,039                  | 46,911                  | 3,382                   | 10,374                  |
| Financial liabilities                                       | 22,640                  | 23,370                  | 4,889                   | 4,707                   |
| Current tax payables  | 2,166                   | 2,032                   | 1,162                   | 1,128                   |
|   | <b>66,845</b>           | <b>72,313</b>           | <b>9,433</b>            | <b>16,209</b>           |
| <b>Total liabilities</b>                                    | <b>133,069</b>          | <b>139,517</b>          | <b>57,356</b>           | <b>63,128</b>           |
| <b>Total equity and liabilities</b>                         | <b>276,511</b>          | <b>280,681</b>          | <b>157,558</b>          | <b>163,581</b>          |

## Notes on the Balance Sheets

- a) The increase in property, plant and equipment relates to the development costs incurred in the warehouse construction work-in-progress at 18 Gul Drive.
- b) Investment in associates increased due to additional investment in a Korean associate held by a subsidiary. The increase was partially offset by foreign exchange loss on investment in PRC associates and \$0.3 million impairment loss in respect of its investment in an associate in China. This associate has a depot which was recently requisitioned by local authorities, resulting in the associate having to terminate the lease.
- c) The decrease in non-current other receivables was due to partial repayment of loan by a related party and doubtful allowance for loan receivable of \$0.8 million from an associate in China. At Company level, the increase was due to payments made on behalf of subsidiaries for warehouse construction costs at 18 Gul Drive and additional investment in an associate in Korea.
- d) The increase in other investments was due to fair value gains on marketable securities.
- e) The decrease in cash and cash equivalents was mainly due to internal funding of the warehouse construction costs at 18 Gul Drive and repayment of proposed investment in Citic Logistics Co., Ltd.
- f) The decrease in trade and other payables was mainly due to progress payments for the warehouse construction costs and prepayment of proposed investment in Citic Logistics Co., Ltd.

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

|                           | As at 31/07/2009   |                      | As at 30/04/2009   |                      |
|---------------------------|--------------------|----------------------|--------------------|----------------------|
|                           | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Borrowings                | 21,403             | -                    | 22,244             | -                    |
| Finance lease liabilities | 1,237              | -                    | 1,126              | -                    |
| Total                     | 22,640             | -                    | 23,370             | -                    |

**Amount repayable after one year**

|                           | As at 31/07/2009   |                      | As at 30/04/2009   |                      |
|---------------------------|--------------------|----------------------|--------------------|----------------------|
|                           | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Borrowings                | 56,076             | -                    | 56,392             | -                    |
| Finance lease liabilities | 2,112              | -                    | 1,851              | -                    |
| Total                     | 58,188             | -                    | 58,243             | -                    |

**Details of any collateral**

The bank borrowings of the subsidiaries are guaranteed by the Company and are secured by legal mortgages over the Group's freehold and leasehold properties. The finance lease liabilities are secured by the assets under finance leases.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Consolidated Cash Flow Statement**

|   | <b>3 months ended<br/>31/07/09</b> | <b>3 months ended<br/>31/07/08</b> |
|---|------------------------------------|------------------------------------|
|   | <b>S\$'000</b>                     | <b>S\$'000</b>                     |
| <b>Operating activities</b>   |                                    |                                    |
| Profit before income tax  | 1,160                              | 3,180                              |
| Adjustments for:  |                                    |                                    |
| Depreciation of property, plant and equipment                               | 1,470                              | 1,246                              |
| Allowance of doubtful loan receivable                                       | 809                                | -                                  |
| Gain on disposal of property, plant and equipment                           | (195)                              | (14)                               |
| (Gain)/loss on financial assets at fair value through profit or loss (net): |                                    |                                    |
| - marketable securities   | (427)                              | 411                                |
| - derivative contracts  | (9)                                | (260)                              |
| Share of loss/(profit) of associates  | 99                                 | (245)                              |
| Accretion of deferred revenue   | (747)                              | (747)                              |
| Dividend income   | (2)                                | (153)                              |
| Foreign exchange loss/(gain)  | 1,646                              | (633)                              |
| Finance costs   | 742                                | 1,319                              |
| Finance income  | (481)                              | (317)                              |
| Interest income on:   |                                    |                                    |
| - convertible loans to associates   | (620)                              | (698)                              |
| - redeemable cumulative convertible preference shares in an associate       | -                                  | (353)                              |
|   | 3,445                              | 2,736                              |
| Changes in working capital:   |                                    |                                    |
| Trade and other receivables   | (983)                              | 2,438                              |
| Trade and other payables  | 442                                | (1,259)                            |
| Foreign currency translation  | 35                                 | 369                                |
| Cash generated from operations  | 2,939                              | 4,284                              |
| Income taxes refunded   | -                                  | 120                                |
| Income taxes paid   | (226)                              | (4)                                |
| <b>Cash flows from operating activities</b>                                 | <b>2,713</b>                       | <b>4,400</b>                       |
| <b>Investing activities</b>   |                                    |                                    |
| Proceeds from sale of property, plant and equipment                         | 209                                | 49                                 |
| Purchase of property, plant and equipment                                   | (2,986)                            | (3,829)                            |
| Acquisition of shares in associates   | (1,121)                            | (96)                               |
| Prepayment of proposed investment   | (5,697)                            | (16,644)                           |
| Purchase of other investments   | -                                  | (13)                               |
| Dividend income   | 152                                | 2                                  |
| Loan to an associate  | -                                  | (700)                              |
| Finance income  | 107                                | 264                                |
| Repayment of loan by a related party  | 2,110                              | -                                  |
| Interest income on convertible loans to associates                          | -                                  | 1,000                              |
| <b>Cash flows from investing activities</b>                                 | <b>(7,226)</b>                     | <b>(19,967)</b>                    |
| <b>Financing activities</b>   |                                    |                                    |
| Proceeds from issue of new shares   | 900                                | -                                  |
| Proceeds from exercise of warrants  | -                                  | 15                                 |
| Proceeds from borrowings  | 1,000                              | 8,329                              |
| Repayment of borrowings   | (2,101)                            | (791)                              |
| Repayment of loan from a related party                                      | (171)                              | -                                  |
| Payment of finance lease liabilities  | (338)                              | (244)                              |
| Finance costs   | (649)                              | (443)                              |
| <b>Cash flows from financing activities</b>                                 | <b>(1,359)</b>                     | <b>6,866</b>                       |

| <b>Consolidated Cash Flow Statement (continued)</b>         | <b>3 months ended</b> | <b>3 months ended</b> |
|---|-----------------------|-----------------------|
|   | <b>31/07/09</b>       | <b>31/07/08</b>       |
|   | <b>S\$'000</b>        | <b>S\$'000</b>        |
| <b>Net decrease in cash and cash equivalents</b>            | (5,872)               | (8,701)               |
| Cash and cash equivalents at beginning of period            | 33,807                | 42,106                |
| Effect of exchange rate fluctuations on cash held           | 913                   | (214)                 |
| <b>Cash and cash equivalents at end of period</b>           | <b>28,848</b>         | <b>33,191</b>         |
| <b>Cash and cash equivalents comprise the following:</b>    |                       |                       |
| Cash at bank and in hand                                    | 12,327                | 17,799                |
| Deposits with banks   | 16,542                | 16,073                |
| Cash and cash equivalents                                   | 28,869                | 33,872                |
| Bank overdrafts   | (21)                  | (681)                 |
| <b>Cash and cash equivalents in the cash flow statement</b> | <b>28,848</b>         | <b>33,191</b>         |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**1(d)(i)(a) Consolidated Statement of Comprehensive Income for the first quarter ended 31 July 2009**

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the revised Financial Reporting Standard (FRS) 1 (effective from 1 January 2009)

|  | <b>The Group</b>      |                       |                            |
|--|-----------------------|-----------------------|----------------------------|
|  | <b>3 months ended</b> | <b>3 months ended</b> | <b>Increase/(Decrease)</b> |
|  | <b>31/07/09</b>       | <b>31/07/08</b>       | <b>%</b>                   |
|  | <b>S'\$000</b>        | <b>S'\$000</b>        |                            |
| <b>Net profit for the quarter</b>                  | <b>713</b>            | <b>2,754</b>          | <b>(74.1)</b>              |
| <b>Other comprehensive income</b>                  |                       |                       |                            |
| Foreign currency translation                       | 665                   | 453                   | 46.8                       |
| <b>Total comprehensive income</b>                  | <b>1,378</b>          | <b>3,207</b>          | <b>(57.0)</b>              |
| <b>Total comprehensive income attributable to:</b> |                       |                       |                            |
| Equity holders of the Company                      | 1,094                 | 2,790                 | (60.8)                     |
| Minority interests                                 | 284                   | 417                   | (31.9)                     |
|  | <b>1,378</b>          | <b>3,207</b>          | <b>(57.0)</b>              |

**1(d)(i)(b) Statement of Changes in Equity**  
**For the period ended 31 July 2009**

| <b><u>The Group</u></b>        | <b><u>Share capital</u></b><br><b><u>S\$'000</u></b> | <b><u>Capital reserve</u></b><br><b><u>S\$'000</u></b> | <b><u>Foreign currency translation reserve</u></b><br><b><u>S\$'000</u></b> | <b><u>Accumulated profits</u></b><br><b><u>S\$'000</u></b> | <b><u>Total attributable to equity holders of the Company</u></b><br><b><u>S\$'000</u></b> | <b><u>Minority interests</u></b><br><b><u>S\$'000</u></b> | <b><u>Total equity</u></b><br><b><u>S\$'000</u></b> |
|--------------------------------|--|--|---|--|--|---|---|
| <b>Balance at 1 May 2009</b>   | 74,216   | 7,082  | 1,333   | 47,127   | 129,758  | 11,406  | 141,164   |
| Total comprehensive income     | -  | -  | 571   | 523  | 1,094  | 284   | 1,378   |
| Issue of new shares            | 900  | -  | -   | -  | 900  | -   | 900   |
| <b>Balance at 31 July 2009</b> | <b>75,116</b>  | <b>7,082</b>   | <b>1,904</b>  | <b>47,650</b>  | <b>131,752</b>   | <b>11,690</b>   | <b>143,442</b>                                      |
| <b>Balance at 1 May 2008</b>   | 73,705   | 7,167  | 2,157   | 43,620   | 126,649  | 11,204  | 137,853   |
| Total comprehensive income     | -  | -  | 257   | 2,533  | 2,790  | 417   | 3,207   |
| Exercise of warrants           | 3  | (3)  | -   | -  | -  | -   | -   |
| Issue of new shares            | 15   | -  | -   | -  | 15   | -   | 15  |
| <b>Balance at 31 July 2008</b> | <b>73,723</b>  | <b>7,164</b>   | <b>2,414</b>  | <b>46,153</b>  | <b>129,454</b>   | <b>11,621</b>   | <b>141,075</b>                                      |

| <b><u>The Company</u></b>      | <b><u>Share capital</u></b><br><b><u>S\$'000</u></b> | <b><u>Capital reserve</u></b><br><b><u>S\$'000</u></b> | <b><u>Accumulated profits</u></b><br><b><u>S\$'000</u></b> | <b><u>Total equity</u></b><br><b><u>S\$'000</u></b> |
|--------------------------------|--|--|--|---|
| <b>Balance at 1 May 2009</b>   | 74,216   | 7,082  | 19,155   | 100,453   |
| Total comprehensive income     | -  | -  | (1,151)  | (1,151)   |
| Issue of new shares            | 900  | -  | -  | 900   |
| <b>Balance at 31 July 2009</b> | <b>75,116</b>  | <b>7,082</b>   | <b>18,004</b>  | <b>100,202</b>                                      |
| <b>Balance at 1 May 2008</b>   | 73,705   | 7,167  | 20,757   | 101,629   |
| Total comprehensive income     | -  | -  | 820  | 820   |
| Exercise of warrants           | 3  | (3)  | -  | -   |
| Issue of new shares            | 15   | -  | -  | 15  |
| <b>Balance at 31 July 2008</b> | <b>73,723</b>  | <b>7,164</b>   | <b>21,577</b>  | <b>102,464</b>                                      |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

**Details of any changes in the Company's issued share capital**

|                     | <u>Number of<br/>Ordinary shares</u> | <u>Share Capital</u><br>S\$'000 |
|---------------------|--------------------------------------|---------------------------------|
| As at 1 May 2009    | 2,111,492,885                        | 74,216                          |
| Issue of new shares | 20,000,000                           | 900                             |
| As at 31 July 2009  | 2,131,492,885                        | 75,116                          |

**The number of outstanding warrants is as follows: -**

|          | <u>As at<br/>31/07/2009</u> | <u>As at<br/>31/07/2008</u> |
|----------|-----------------------------|-----------------------------|
| Warrants | -                           | 767,067,574                 |

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to 1(d)(ii). There were no treasury shares as at July 31, 2009.

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with the audited financial statements for the financial year ended 30 April 2009.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

With effect from 1 May 2009, the Group adopted the following new/revised Financial Reporting Standards (FRS), which are relevant to the Group:

|                       |                                      |
|-----------------------|--------------------------------------|
| FRS 1 (revised 2008)  | Presentation of Financial Statements |
| FRS 23 (revised 2007) | Borrowing Costs                      |
| FRS 108               | Operating Segments                   |

The adoption of the above FRS does not have any significant impact on the financial statements.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

|  | 3 months ended<br>31/07/09 | 3 months ended<br>31/07/08 |
|--|----------------------------|----------------------------|
| <b><u>Earnings per ordinary share</u></b>                            |                            |                            |
| (a) Based on the weighted average number of ordinary shares on issue | 0.02 cent                  | 0.12 cent                  |
| (b) On a fully diluted basis   | 0.02 cent                  | 0.11 cent                  |

The basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 2,122,797,233 (31 July 2008: 2,103,303,051).

The fully diluted earning per share is calculated based on the weighted average number of ordinary shares of 2,122,797,233 (31 July 2008: 2,280,318,645).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

|  | As at<br>31/07/2009<br>Cents | As at<br>30/04/2009<br>Cents |
|--|------------------------------|------------------------------|
| <b>Net assets value per ordinary share</b> |                              |                              |
| The Group                                  | 6.17                         | 6.15                         |
| The Company                                | 4.70                         | 4.76                         |

Net asset value per share is calculated based on 2,131,492,885 (30 April 2009: 2,111,492,885) ordinary shares in issue at the end of the financial year under review and of the immediately preceding financial year.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

For the first quarter ended 31 July 2009 (1Q10), the Group achieved revenue of \$30.6 million, 0.7% above revenue recorded for the 4Q09. There was a slight recovery in business activity from 4Q09 for the Group's core business in freight forwarding and chemical logistics. On a quarter-to-quarter basis, revenue was 18.8% lower.

|                                | 1Q10<br>S\$million | 1Q09<br>S\$million | + / (-)<br>S\$million | + / (-)<br>%  |
|--------------------------------|--------------------|--------------------|-----------------------|---------------|
| Freight forwarding             | 14.9               | 21.4               | (6.5)                 | (30.4)        |
| Warehousing and logistics      | 4.6                | 4.8                | (0.2)                 | (4.2)         |
| Chemical storage and logistics | 9.9                | 9.5                | 0.4                   | 4.2           |
| Other logistics                | 1.2                | 2.0                | (0.8)                 | (40.0)        |
| <b>Group Turnover</b>          | <b>30.6</b>        | <b>37.7</b>        | <b>(7.1)</b>          | <b>(18.8)</b> |

The global economic slowdown since last year had affected our shipping volume in 1Q10 as compared to 1Q09.

Other income included interest income, dividend from investment and fair value gains on short term equity investments.

The decrease in share of profit from associates was mainly due to the impairment loss of \$0.3 million in respect of the investment in an associate in China.

Freight and related costs decreased due to lower container volume. Exhibition design and build costs were lower as a result of fewer exhibition projects.

The higher depreciation of property, plant and equipment was due to the additional capital expenditure incurred for the new warehouse complexes.

Other expenses increased mainly due to foreign exchange loss of \$1.65 million resulting from weakening of Renminbi and US dollar. In addition, there was an allowance for impairment of \$0.8 million made on the loan to an associate in China. This associate has a depot which was recently requisitioned by local authorities, resulting in the associate having to terminate the lease.

The decrease in finance costs was due to reduction in bank borrowings as a result of refinancing of US dollar bonds in the previous financial year and lower borrowing costs.

The Group effective tax rate of 38.5% (1Q2009:13.4%) is higher than the Singapore corporate rate of 17%. This is mainly due to certain provisions and expenses that were not deductible for tax purposes.

For the quarter ended 31 July 2009, Group registered profit after tax and minority interest of \$523,000 compared to \$2.53 million in 1Q09.

As at 31 July 2009, the Group has cash and cash equivalents of \$28.9 million compared to \$33.9 million as at 30 April 2009. Net of cash, gearing remained low at 0.39 times.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The current announced results are in line with the general market conditions as previously described in the last full year Financial Statement Announcement.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Whilst there are signs that the global recession may have eased out, the economic outlook still remains uncertain.

The construction of the 2-storey chemical warehouse cum office at 18 Gul Drive is scheduled to be completed around end December 2009.

As previously announced, the Company is still reviewing the proposed investment proposition of a 60% equity interest in the registered capital of Citic Logistics Co., Ltd in view that the risk-return environment has changed substantially.

The Group's wholly-owned subsidiary, Freight Links Fabpark Pte Ltd has commenced legal proceedings in the High Court of Singapore against the purchaser for rescinding the Put and Call Option Agreement on the proposed sale of its property at 30/32 Tuas Ave 8. The hearing of the merits of the case is scheduled to commence in late September 2009.

Looking ahead, the Group remains cautious about its business prospects and will continue to be vigilant in keeping operating costs under control.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended in the current reporting period.

**13. Interested Person Transactions**

There are no interested person transactions (excluding transaction less than \$100,000) for the first quarter year ended 31 July 2009.

**14. Confirmation pursuant to the SGX Listing Rule 705 (4) of the Listing Manual**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the period ended 31 July 2009 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**  
**Freight links Express Holdings Limited**

**Thomas Woo**  
**Executive Director & CFO**  
**10 September 2009**