

NEWS RELEASE

Freight Links unlocks Intrinsic Value of Five Properties through a Proposed Sale and Leaseback to Sabana Investment Partners

- *Proposed sale and leaseback of five properties for S\$192.95 million, with net proceeds over the book value of the Properties of approximately S\$99.4 million.*
- *Participation in the REIT Manager and the Property Manager of the proposed Sabana REIT.*

Singapore, 11 October 2010 – Main board-listed Freight Links Express Holdings Limited ("**Freight Links**"), one of the leading logistics management and integrated freight forwarding groups in Singapore, has entered into proposed sale and leaseback transactions with Sabana Investment Partners Pte. Ltd. ("**SIP**"), for the benefit of the proposed Sabana Shari'ah Compliant Industrial Real Estate Industrial Trust (the "**Sabana REIT**"), for five of its properties for a total consideration of S\$192.95 million, with a leaseback period of 5 years (the "**Proposed Sale and Leaseback**"). Subject to the receipt of the relevant regulatory approvals (including approval of the Monetary Authority of Singapore), the Sabana REIT is a Singapore-based real estate investment trust to be established and authorised in Singapore principally to invest in income-producing real estate used for industrial purposes in Asia, as well as real estate-related assets.

The five properties are at 30 & 32 Tuas Avenue 8, 218 Pandan Loop, 51 Penjuru Road, 33 & 35 Penjuru Lane and 18 Gul Drive (the "Properties").

The sale of the Properties (the "**Proposed Sale**") will result in net proceeds over the book value of the properties amounting to approximately S\$99.4 million.

Assuming the Proposed Sale had been completed on 1 May 2009, the Group's net profit for the financial year 2010 would have been S\$23.4 million instead of S\$13.9 million and its earnings per share would have been 1.10 cents per share instead of 0.65 cents per share. The Group's net tangible assets as at 30 April 2010 would have been 11.24 cents per share instead of 6.77 cents per share.

Commenting on the transactions, Mr Eric Khua, Chief Executive Officer of Freight Links, said, "The Proposed Sale and Leaseback will enable Freight Links to realise the fair value of its investments in the Properties, whilst enabling the Group, through the leaseback arrangements, to have long term use of these properties to provide warehousing cum office space to the Group and/or its customers as part of its logistics services.

The sales proceeds can be deployed towards various business opportunities including developing and expanding the existing logistics businesses of the Group as well as to pursue investment opportunities in the international logistics market, providing additional working capital and reducing the Group's bank borrowings. The management will seek opportunities to acquire new related businesses that will broaden the earnings base of the Group."

Freight Links, through its 51% shareholding equity interest in SIP, will participate in (subject to the receipt of relevant regulatory approvals) the manager (the "**REIT Manager**") and the property manager (the "**Property Manager**") of the Sabana REIT. Sabana REIT plans to acquire a portfolio of properties worth about \$850 million. A conditional eligibility-to-list letter (the "**ETL**") was received on 8 October 2010 from the Singapore Exchange Securities Trading

Limited (the "**SGX-ST**") for the listing of and quotation for the units in the Sabana REIT on the Main Board of the SGX-ST.

Mr Khua also added, "Our participation in the REIT Manager and the Property Manager will generate additional income for the Group as well as broaden the Group's network. Further, the Group will derive a stable income stream from the Sabana REIT's distributions through Freight Links' holding of units in the Sabana REIT. The participation of Freight Links through its equity stakes in the REIT Manager and the Property Manager will broaden Freight Links' core logistics business and enhance its ability to expand in Asia."

The Proposed Sale and Leaseback constitutes a major transaction for Freight Links, requiring the approval of the shareholders at an Extraordinary General Meeting to be convened at a later date.

The Proposed Sale and Leaseback is also subject to, amongst other things, (a) the listing of the units in the Sabana REIT and commencement of trading of such units on the SGX-ST, and (b) obtaining JTC Corporation's approval (and the approval/clearance of such other authorities as JTC may require).

Save for their respective interests in Freight Links, none of Freight Links' Directors or controlling shareholders has any interest, direct or indirect, in the Proposed Sale and Leaseback.

About Freight Links Express Holdings Limited

Freight Links Express Holdings Limited ("Freight Links") is one of the leading Logistics Management and Integrated Freight Forwarding Groups in Singapore. Established in 1981, the international freight forwarding business of the Group has links to almost 600 destinations throughout the world.

Freight Links has offices in Malaysia, Thailand, Hong Kong, China, South Korea and United Arab Emirates.

The Company's business includes international freight forwarding, chemical logistics, warehousing property management, total logistics solutions, integrated marketing services and document management solutions.

Besides this, the company also provides inventory control management, warehousing and distribution, container haulage, local trucking and container freight station operations.

Freight Links reported a turnover of S\$125.8 million and a net profit of S\$13.9 million for FY2010.